FBIS DAILY REPORT

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U.S. ACCUSED OF HUMAN RIGHTS VIOLATIONS

FL270107 Havana Radio Rebelde Network in Spanish 2300 GMT 26 Jun 87

[Text] Cuban Foreign Vice Minister Ricardo Alarcon today accused the U.S. Government of being the worst violator of human rights in the history of the world. We do not grant Washington the authority to say one word on human rights in Cuba or in any other part of the world. This was asserted by Alarcon in response to Kenneth N. Skoug, director of the Cuban Affairs Office of the U.S. Department of State, who attempted to bring up the subject at a meeting opening in Bonn, FRG, on Cuban relations with Western Europe. Alarcon noted that the United States gave [word indistinct] to the Batista dictatorship to wipe out the countryside, invaded Cuba several times, and took a cruel and savage war to Vietnam.

FIDEL CASTRO MEETS WITH NIGERIAN YORUBA KING

FL261453 Havana Tele-Rebelde Network in Spanish 1100 GMT 26 Jun 87

[Text] Our Commander in Chief Fidel Castro met last night with the supreme king of Nigeria's Yoruban people, Okunade Sijuwade Olubuse II.

The meeting was held in a cordial atmosphere and the visitor gave our commander in chief his magnificent impressions of his stay in our fatherland. In addition, the Yoruba king expressed his interest in developing a school of Cuban culture at the University of Ife and of holding an (Orichas) conference in Cuba.

Fide offered the distinguished guest his support in the development of these projects and, on behalf of our people, he expressed his appreciation to the king for his visit and high appraisal of what he has seen in Cuba.

Previously, Nigerian Ambassador to Cuba Peter Ochala Osuman gave a reception in honor of the Ooni of Ife [traditional Yoruba ruler title] which was attended by Politiburo members Jorge Risquet Valdes and Armando Hart Davalos, as well as leaders of the PCC and the state, and representatives of the diplomatic corps.

ANC LEADER OLIVER TAMBO ARRIVES, MEETS RISQUET

PA290319 Havana International Service in Spanish 2300 GMT 28 Jun 87

[Text] Last night, Oliver Tambo, president of the African National Congress of South Africa, arrived in Havana on a private visit.

He was met at the airport in Havana by Jorge Risquet Valdes, member of the Politburo of the Communist Party of Cuba [PCC]. It was learned that Tambo will tour other Caribbean countries.

INJURED SALVADORAN REBELS TO ARRIVE SOON

FL271251 Havana Radio Progreso Network in Spanish 1100 GMT 27 Jun 87

[Text] Ninety-eight Salvadoran rebels (?injured) in war will be evacuated Sunday to Mexico and from there they will travel to Cuba, Norway, and Sweden.

The FMLN has reported the combatants will recuperate in these countries. They called on the population to be alert to the operation since the Army should guarantee the safety of these people until they leave the country.

The evacuation of those injured is part of the agreement reached last January in Panama by the rebels and the Salvadoran Government.

'MURDER' OF SALVADORAN ARCHBISHOP REVIEWED

PA281450 Havana International Service in Spanish 2300 GMT 25 Jun 87

[SALPRESS-NOTISAL agency commentary read by Carla Rodriguez]

[Text] The death squads in El Salvador have carried out a long list of murders that have not been legally explained by the current Christian Democratic government led by Jose Napoleon Duarte. One of these violent actions was the murder of Msgr Oscar Arnulfo Romero on 24 March 1980, while he was saying mass at a hospital as part of his work as head of the Salvadoran capital's archbishopric. The archbishop's death caused serious disturbances in the heart of this Central American country's society. Across the country there was a demand for an in-depth investigation and punishment for the perpetrators of the crime.

At that time Jose Duarte was president of a civilian-military junta, which the Christian Democratic Party later joined after receiving Washington's full support and after arriving at an agreement with the Armed Forces to govern the country. Later, the Christian Democrats used the case of Msgr Romero's murder for propaganda purposes during the electoral campaign that led Duarte to the presidency in June 1984. Duarte's leading contender in the presidential race was former Army Major Roberto D'Aubuisson, leader of the Nationalist Republican Alliance, ARENA, who was singled out as one of the people responsible for the bishop's death.

On 8 May 1980, D'Aubuisson was arrested on a farm owned by the wealthy Guirola family on the outskirts of the capital and charged with involvement in an attempted coup against the government junta. Among the documents seized from the former major were proof of his masterminding Msgr Romero's murder, which had been reported on various occasions by Robert White, former U.S. ambassador to El Salvador. Despite the existence of proof and witnesses, D'Aubuisson has never been tried. Romero's case returns to the front pages of the newspapers only when the ruling party tries to gain political support.

During the past few days, several government officials -- including Duarte -- have stated an interest in reopening the investigation of Msgr Romero's death. They claim to have a witness.

D'Aubuisson and former Attorney General Francisco Guerrero have made the hasty claim that the members of the ruling party are preparing someone to give false testimony. Labor sectors and humanitarian organizations have stated the government's renewed efforts to bring the Romero case into the public eye is part of a propaganda campaign for the 1988 elections, which Jose Napoleon Duarte will face in the midst of a serious government crisis.

ASSISTANCE TO HAITIAN REFUGEES PROVIDED

FL261828 Havana Tele-Rebelde Network in Spanish 1321 GMT 23 Jun 87

["We Will Survive" feature by Television Latina, from the PRENSA LATINA news agency, on Cuban treatment of Haitians, the role of the Red Cross, and their subsequent return to Haiti. All speakers identified by caption; date and place not given -- recorded]

[Excerpt] [Announcer] Each year, thousands of Haitians leave their country seeking a better life, which they do not always find. They are men, women, and children, who are willing to confront the risks of a desperate journey to the United States. However, they often find obstacles to their admission into that country.

Despite the painful drama of the Haitian exodus, these emigrants have found support from institutions such as the International Red Cross. And those who, for one reason or another, have arrived in Cuba have also experienced the solidarity of their Caribbean neighbor.

[Dr Boris Chandler, vice president of the Haitian Red Cross in French with consecutive Spanish translation] We know the people have emigrated up to now because of political reasons. We all know we have just lived through a very difficult 30-year period and the people wanted to leave the country. However, I think that because of the new order, this type of emigration will decrease because better conditions will be established in the country.

[Announcer] According to the American Red Cross, during the past 6 years, 18,300 Haitian emigrants have entered the United States. During [words indistinct] alone, there were approximately 4,000. According to the Cuban Red Cross, approximately 1,700 Haitians passed through Cuba that same year. [passage omitted]

[Dr Enrique Ramil, deputy secretary general of the Cuban Red Cross] There is a camp in the Punta de Maisi area where these Haitian citizens are housed. If they have difficulties while they are waiting, we try to give them a definite solution. They are given housing, food, or other types of services. In some cases there is a permanent health post with doctors, nurses, Red Cross personnel, health brigades and workers. They even have an observation room with a certain number of beds with minimal conditions. In this case, there are good conditions for their observation and treatment. If necessary, as has happened on other occasions, they are transported to hospitals at the level of [changes thought]...specifically, in this case to the Guantanamo Province hospital where they are given qualified and careful attention. [Video shows statistical information as follows:] By the end of 1986, 1,080 ships landed on Cuban territory carrying 53,170 Haitian emigrants of which 40,208 were men; 11,906 were women; and 1,056 were minors. This cost Cuba U.S. $7,648,908 of which $5,004,512 was for housing; $2,271,722 for food; $340,871 for medical attention; $27,499 for clothing; and $4,304 for other costs.

[Announcer] Only 80 miles separate Cuba and Haiti, two Caribbean countries that share profound cultural and historical ties even though they do not have diplomatic relations.

In June 1987, through the International Red Cross, 47 Haitians were repatriated, including three women.

[Jean-Pierre Givel, International Red Cross representative] The repatriation of the Haitians is the second operation we have carried out. The first one occurred in October and it allowed the Cuban Red Cross and the Haitian Red Cross to repatriate 488 Haitians. This demonstrates the universal nature of the Red Cross movement since this action was undertaken by the two Red Cross associations to try and solve the problem of the Haitian population in Cuba territory. [passage omitted]

[Ramil] In this case, they stated their desire for repatriation. They wanted to return to Haiti. They wanted to choose their own direction and they stated this. We have documents filed at the Red Cross where they state their willingness and desire to return to their fatherland. Cuban Government authorities approached us as did the Red Cross and efforts were initiated to repatriate the Haitians. [passage omitted]

SECOND MEETING ON HAVANA ENTERPRISES HELD

Use of Human Resources Cited

FL261528 Havana Tele-Rebelde Network in Spanish 1100 GMT 26 Jun 87

[Text] During the second meeting analyzing the efforts of Havana enterprises, which will end today at the Karl Marx Theater, Commander in Chief Fidel Castro called for more rational use of human resources through reassessment, use of minibrigades, and the relocation of workers to locations where they can be truly productive.

The highest leader of the revolution held talks with participants of the meeting, which is held 1 year after the first enterprise meeting, during which he expressed interest in better use of the work day, improved work organization, and the systematic check of programs.

Low Income, Problems Viewed

FL271512 Havana Radio Reloj Network in Spanish 1202 GMT 27 Jun 87

[Text] After saying it was a privilege to participate in the second meeting of Havana Provinces enterprises, Commander in Chief Fidel Castro briefly reviewed the rectification process and he stressed that what we should be interested in now is what is going on in every work center and how the subjective and objective factors are operating.

Fidel stressed the importance of the meetings held over the past 2 years with hospital directors. During these meetings, deficiencies have been detected such as the utilization of pavilion basements as warehouses, cafeteria problems, and the lack of maintenance materials. Measures have been adopted, he said, that have increased the number of hospital beds.

The work of the PCC in Havana has changed, said Fidel. He added it is very difficult because the highest administrative leaders are located here.

The cadres in Havana City municipalities have been given the same kind of authority that exists in the provinces, he said. We have had great cooperation between the ministries and state central organizations, Fidel said.

Later, Fidel noted that even though the country has recorded its lowest income this year, we are resolving problems through a willingnees to work without affecting the economic development of the country. The commander in chief added that Havana City will resolve its problems with its own resources.

Fidel expressed his conviction we are advancing and he stressed that these sessions demonstrate what the country can do through control, organization, and efficiency.

Once the most pressing problems are resolved, he said, we can proceed to more profound topics such as organization and production on a scientific basis and what we should expect from our enterprise directors.

Reflecting on several aspects discussed by the delegates to the meeting analyzing Havana enterprises, Fidel stressed that the road taken promises much. The workers are responding to this process, stressed Fidel, and he said we have to be able to substitute all the infernal mechanisms of capitalism, such as unemployment and insecurity, with political and ideological education.

Upon analyzing the problems that affect the quality of bread, the commander in chief said this is due to a lack of policy for the bakeries. Formulas must be found to satisfy the tastes of the population, he said, as well as to apply certain mechanisms, produce quality products, and bring the bakeries closer to the consumers.

[Name indistinct] Chavez, president of the National Assembly of the People's Government in Havana, has said there is a work program aimed at improving the quality of bread to satisfy the demand.

Representatives from that industry pointed out the convenience of providing small units where the consumers can purchase the product directly. They also noted the need to increase the varieties of bread for sale.

Wage Changes Noted

FL261427 Havana Radio Periodico del Aire in Spanish 1600 GMT 25 Jun 87

[Report by Jose Suarez from Havana's Karl Marx Theater]

[Text] The first session of the second meeting to analyze the performance of Havana enterprises began at 1000 today under the chairmanship of Commander in Chief Fidel Castro. Jorge Lezcano Perez, first secretary of the PCC in the capital, made the introductory remarks in which he called for reflection and profound analysis using as guidelines the evaluations made in 1986 when the first meeting was held with enterprise representatives.

The first speaker was Transportation Minister Diocles Torralba, who discussed the form of payment to crews of coasting vessels belonging to the Mambisa Shipping Enterprise. The minister reported payment in foreign exchange had been eliminated and norms and wages had been reorganized for the various occupations, which has resulted in a healthier wage structure for the enterprise.

He also highlighted the achievements through May 1987 as compared to the same period in 1986 in the areas of cargo transportation, repairs, and investments.

The administrative and party officials of the Mambisa Shipping enterprise gave due recognition to the attitude of the merchant fleet workers and others which made it possible to raise the enterprise's efficiency and profitability indexes, although they acknowledged there are still deficiencies in the organization of work and repairs. It is significant to note that 34,430 pesos have been paid in overtime during the first 3 months of 1987 following the rectification of standards. In the same period in 1986, the expenditure was 97,221 pesos.

Commander Castro first participated in the meeting to ask Carlos Montpeller, PCC committee secretary at the national shipbuilding enterprise about a meeting held at the enterprise's boiler repair shop. Fidel asked for details about the workers' arguments that raw material should be better utilized and how the meeting had developed. Interruptions because of the lack of organization in production and other factors were also analyzed by the commander in chief, who received confident and effective replies from Comrade Montpeller which demonstrated that he had complete command of the topic and the PCC is at the forefront in the search for effective and practical solutions to the problems that still persist in the national shipbuilding enterprise.

As we are reporting this, the activities of the Julio Antonio Mella steelworking enterprise and the industrial construction enterprises are under discussion. A self-critical spirit, the absence of banal self-congratulation, and an assured revolutionary optimism have characterized the first part of the opening session of this important meeting. Right now, the commander in chief continues his dialogue with the representatives of the ECOI-2 [Engineering Projects Construction Enterprise-2]

Cement Supply Discussed

FL270316 Havana Tele-Rebelde Network in Spanish 1129 GMT 26 Jun 87

[Text] One of the most widely debated subjects in the last few hours of the second meeting of Havana Provinces enterprises being held at the Karl Marx Theater was the supply of construction materials -- mainly cement -- for Havana's development program. Jose Pica, secretary of the Communist Party of Cuba [PCC] of the Mariel Cement Plant, spoke on the subject.

[Begin recording] [Pica] During last year's meeting we made a commitment to produce 150,000 additional tons of cement responding to your request regarding the microbrigades in Havana City. Our commitment required a technical economic plan of 1.1 million tons for this year. The management approved only 1 million, including the 150,000 committed. In 1986 -- let's back track a little -- we only produced 950,000 tons. This was 100 percent of our production plan. It was accomplished with a large effort made by all the workers because we overcame a 54,000 ton delay due to may objective difficulties we had with supplies. They were discussed during the previous meeting and were not solved at the beginning of 1987. The same difficulties such as the lack of adequate delivery of heat-resistant concrete blocks, plaster, and maintenance parts from areas of free convertible currency, set back this year's first 3 months. The entire management team met and we analyzed objectively that we could not meet the 1 million ton cement goal.

Why? Because we need to fulfill two basic objectives: To guarantee the maximun protection possible but also to recover the plant's technical capacity, which has been deteriorating and which we have been losing. You know that because of the situation the country faces we did not have a large supply of spare parts, which comes mainly from the convertible currency area and now since the new ministry was created we are getting a little more attention from or we feel we have truly been taken care of by the industry.

[Jose Manuel Gonzalez Chirino, director of the Martires de Artemisa cement and lime enterprise] We wanted to inform you and this meeting on the situation the comrade from Mariel is presenting regarding the difficulties with the supply of plaster, iron mineral, and sand. Up to now, this factory has not been shut down even for an hour due to the lack of these supplies. We can assure you that as a result of the conversations we have had with our workers and after our union's leadership and the ministry comrades met, we agreed that those 100,000 tons will supplied by Artemisa. Rest assured that the Martires de Artemisa workers guarantee the 100,000 tons of cement for this country's construction brigades. [applause]

[Castro] Tens of thousands of men, such as microbrigade workers and construction workers, are behind the problem of cement supply. When that fails a unanimous cry is heard everywhere. It is a disaster. It brings delays, demoralization, and disorganization. I believe that we have to adopt all measures and that it is a good idea for those measures to be known so that we do not lack such a basic thing as cement. If we get parts here and trucks fall apart over there, we should plan what to do so that we can count on the cement. We also need to be told the elements that guarantee the cement supply. We cannot depend on something that even when only one factor fails, production stops. We are promoting a large movement and if we do not have cement supplies, especially in the western area of the country, everything stops.

[Unidentified speaker] When we are talking about producing (?twelve) in one 3-month period and supplying 205,000 additional tons in another, this entails a considerable transportation issue. It needs a change of transportation plans. We have discussed this with the Transportation Ministry comrades and they have always given us a positive response. That is, we have [word indistinct] with cement also. We have been strict. We presented the [word indistinct] parts problems recently in the meeting. There are some transportation bands that were not mentioned in Mariel that need to be taken care of this year and have not been arranged yet. We submitted this at the board meeting where all factors were present. We continue to insist on this. Things are going to be solved with the help of Comrade Levi [Farah]. At least we are not going to stop bringing them up, the criticisms that truly affect the industry.

[Castro] The thing is that problems are not solved by simply discussing them. You can ask the board 45 times for something and they are not going to give it to you. But the construction minister has to tell me what the problem is and what has to be done immediately, and not wait 7 months. [applause] This is something that needs to be considered a priority and he knows it, the minister knows it. We have been solving not only the cement problems. I know what happened. The maintenance and parts supply were delayed. But we have been buying a factory to make blocks and another factory to make mezzanine panels, and another factory for something else, and a sander that cost about $1 million, and all the other factors. We simply want that the cement supplies be at the same level of the rest of the committed supplies. At the commitment level, Antillana de Acero has to produce iron rods. We are buying and building a toilet factory in Santi Spiritus, we are expanding the one in Holguin, we are planning to build a new one with the Soviets in Pinar del Rio and taken many steps to guarantee supplies. [end recording]

Meeting Closed by Castro

FL271414 Havana Radio Progreso Network in Spanish 1100 GMT 27 Jun 87

[Text] Commander in Chief Fidel Castro last night gave the speech closing the second meeting of represenatives from Havana enterprises at Havana's Karl Marx Theater.

He said the most important thing is to appreciate steps toward advancement. He also said a very high lvel of information was available at the meeting.

The meeting was stimulating, said Fidel, and the important thing now, besides the global statistics, is what is happening at each center and how each one is working, as well as how the subjective and objective factors are operating.

ROBERTO VEIGA PRESIDES OVER LABOR MEETING

FL200350 Havana Radio Rebelde Network in Spanish 1700 GMT 19 Jun 87

[Report by Giselle Perez Fernandez -- broadcast in progress]

[Text] ...union in Havana Province are discussing today, at the province CTC [Central Organization of Cuban Trade Unions] headquarters, the report on the process to rectify mistakes concerning the organization of work, salaries, and labor discipline. CTC Secretary General Roberto Veiga presides over the discussion of the report, which includes prevailing problems such as the insufficient training of personnel and lack of thoroughness in the evaluation of technicians. The workers and labor union members will discuss the lack of management and labor control on absenteeism, tardiness, and early departures.

OIL DRILLING EQUIPMENT TO COME FROM CEMA

FL191653 Havana Tele-Rebelde Network in Spanish 1100 GMT 19 Jun 87

[Text] In the next few years, Cuba will obtain drills and crown blocks made in socialist countries used for oil and gas drilling activities and in areas of solid material exploitation gradually replacing the ones purchased in capitalist countries which are so expensive. This was agreed during the fourth meeting of branch No 15 of CEMA's Permanent Committee for Machine Building. Its final protocol was signed in Havana.

JAMAICA

INCREASE IN SUGAR PRODUCTION RECORDED

FL261356 Bridgetown CANA in English 1715 GMT 25 Jun 87

[Text] Kingston, Jamaica, June 25, CANA -- Jamaica has recorded a 16.6 per cent increase in output as the sugar industry gears to produce 195,000 long tons for the 1986-87 crop ending in July, MONEY INDEX, a Jamaican financial magazine has reported. Production for the January to March period of 122,171 tons, compared with 104,793 tons for the three-month period last year and 91,912 tons for the first quarter of 1985. Improved weather, a decline in industrial problems and a higher level of the tons of cane to tons of sugar ratio were responsible for the increase in output.

Last year Jamaica produced 200,287 tons of sugar, a 1.9 per cent increase over 1985. Sugar industry planners had originally set a 1986-87 target of 205,000 tons but officials said recently the 195,000 tons might also be difficult to achieve.

Jamaica's overall target is to produce 225,000 tons to meet local consumption and its European and United States quotas.

BRIEFS

COSTA RICAN AMBASSADOR -- Kingston, Jamaica, June 4, CANA -- A new Costa Rican Ambassador to Jamaica, Dr Rojer Churnside, presented his credentials to the island's Governor General Florizel Glasspole, here yesterday. Churnside, on his first appointment as an ambassador, replaces Eduardo Neil. Both men are of Jamaican parentage. Churnside was a professor of economics and public administration at the University of Costa Rica. [Text] [Bridgetown CANA in English 2004 GMT 4 Jun 87 FL]

HAITI

GOVERNMENT DEFENDS ITS DECISIONS ON TRADE UNION

FL261800 Bonaire Trans World Radio in English 1130 GMT 26 Jun 87

[Text] The Haitian Government, in a news conference, has defended its decision to dissolve a trade union and to dismiss the two members of the Electoral Council. The official said there is nothing unconstitutional about the decree. However, the opposition parties, which had banded together to form a united front against the provincial government, were not satisfied with the decision.

STRIKE CALLED TO PROTEST VOIDING OF ELECTION LAW

FL271142 Bonaire Trans World Radio in English 1130 GMT 27 Jun 87

[Text] Fifty-seven Haitian political organizations have called for a general strike next week to protest the government's rejection of rules for local elections. Motorists showed their unhappiness with the ban through a horn-honking protest.

The call for a 24-hour general strike Monday came amid growing discontent in the capital, Port-au-Prince, over the decision of the National Governing Council to void the election law.

CUBAN INTERIOR MINISTER ARRIVES; PURPOSE UNKNOWN

PA272142 Paris AFP in Spanish 0242 GMT 25 Jun 87

[Text] Mexico City, 24 Jun (AFP) -- It was reported at the airport's public relations office that Jose Abrahantes Fernandez, vice president of the Cuban government and interior minister, arrived in the Mexican capital this afternoon on a trip whose purpose was not disclosed.

Abrahantes, who arrived on a commercial flight from Havana, avoided the press and left the terminal surreptitiously.

PRI COMMISSION CENSURES 'DEMOCRATIZING CURRENT'

PA231919 Mexico City XEW Television Network in Spanish 1300 GMT 23 Jun 87

[Text] From now on, the activities of the so-called Democratizing Current [Corriente Democratization] will have no party representation and will be excluded from the PRI's programs and activities during electoral processes. In addition, members of the Current will not be allowed to use the party's installation or the PRI's emblem.

The foregoing was agreed to by the PRI National Commission for Political Coordination [Comision Nacional de Coordinacion Politica], headed by PRI President Jorge de la Vega Dominguez. The commission pointed out that the leaders of the Democratizing Current are acting against the PRI's principles of struggle, the agreements reached by the recent assembly, and the party's organic unity. It added that the PRI's doors are open for the members of the Current to leave so as to carry out their activities wherever they see fit.

The commission pointed out this is not an expulsion, but a political censure.

BRIEFS

DEBT AGREEMENT WITH UK -- Mexican Finance Secretary Gustavo Petricioli and John Morgan, British ambassador to Mexico, today signed an agreement to restructure Mexico's debt with the United Kingdom. Through this agreement, financial support for approximately $120 million was obtained. The agreement sets a LIBOR [London Interbank Offered Rate] interest rate plus 0.5 percent, with a 10-year maturity date, including a 5-year grace period. So far, Mexico has concluded bilateral debt renegotiation agreements with 11 American and European countries. [Text] [Mexico City XHTV Television Network in Spanish 0200 GMT 18 Jun PA]

GOVERNMENT PARTY APPOINTMENTS -- Mexico City, 12 Jun (NOTIMEX) -- The government's PRI today disclosed the appointment of Daniel Hernandez Leon and Enrique Leon Martinez as members of its National Executive Committee (CEN). Daniel Hernandez Leon was appointed deputy public relations secretary and Enrique Leon Martinez was appointed assistant CEN secretary. [Summary] [Mexico City NOTIMEX in Spanish 0038 GMT 13 Jun 87 FL]

GOVERNMENT 'PLEASED' WITH PANAMANIAN PEACE EFFORTS

PA262233 San Jose Radio Reloj in Spanish 1200 GMT 26 Jun 87

[Text] Contadora has decided to intervene to save the outcome of the summit. The Contadora Group will participate in planning and organizing the meetings prior to the Central American presidents' meeting so the meeting will be successful, said Panamanian Foreign Minister Jorge Abadia Arias, who arrived in Costa Rica yesterday at 1100. Abadia Arias met for 2 hours with President Oscar Arias Sanchez and Foreign Minister Rodrigo Madrigal Nieto.

Acting as a spokesman for the Contadora Group, the chief of Panamanian diplomacy said that President Arias Sanchez' plan is very good and deserves all the support that the Contadora and Support Groups are giving the plan. The presidents' summit will be informed in detail about President Arias Sanchez' peace plan. Nicaragua's acceptance to attend the Central American summit and the foreign ministers' meetings prior to the summit is a result of the efforts Panama has made on behalf of Contadora, Foreign Minister Abadia Arias said. The meeting will learn about President Arias' peace plan, which Contadora feels is a practical, effective, pragmatic, reasonable, and just plan for Central America; and which will encourage us to continue with Contadora's efforts toward the final goal, and perhaps a goal much greater than we can achieve now, the Panamanian foreign minister added.

Panamanian Foreign Minister Jorge Abadia also said that it is unjust that the peace plan should fail for selfish reasons, and therefore he is here to voice the full support of the Contadora and Support Groups. We would like the Esquipulas II meeting to be held in a cordial, fraternal, and respectful atmosphere. That is why we will not allow such a dignified and courageous effort as the Arias peace plan to die.

The Panamanian foreign minister also said that his country is very concerned about the fate of the Arias plan; therefore, President Eric Arturo Delvalle invited his Nicaraguan counterpart, Daniel Ortega Saavedra, to a meeting and pointed out the efforts Costa Rica is making. Although Contadora will participate in planning the meetings prior to the presidential summit, Contadora will not intervene in the search for solutions to the regional conflict. Panamanaian Foreign Minister Jorge Abadia said this should be solved by the Central Americans, based on a peace plan proposed by President Oscar Arias Sanchez.

However, he said that the success of the summit will depend directly on the regional governments.

Costa Rican Foreign Minister Madrigal Nieto said he was pleased with the results obtained from the visit by Panamanian Foreign Minister Jorge Abadia. He recalled that several months ago, Costa Rica had requested the participation of the Contadora Group and the Support Group, and that recently Costa Rica reiterated this request so all obstacles for holding the Guatemala summit would be set aside. Madrigal Nieto added that it has been confirmed that Contadora's attitude will help to intensify the peace efforts.

BLANDON REPORTS CHANGES IN ARMY AT NEWS BRIEFING

PA030214 Panama City ACAN in Spanish 0047 GMT 3 Jun 87

[Report on 2 June news conference by General Adolfo Blandon, chairman of the Joint Chiefs of Staff of the Armed Forces; place not given]

[Excerpts] San Salvador, 2 Jun (ACAN-EFE) -- General Adolfo Blandon, chairman of the Joint Chiefs of Staff, today stated that the Salvadoran guerrillas stand no chance of a military victory, they experience tactical problems, and their combatants' morale is low.

The high-ranking officer, who today reported 85 changes in the Army, said: "I am not concerned over the military outcome. I am sure that the terrorists cannot achieve a military victory in El Salvador."

"This is why attacks against the population have increased. These attacks take the form of transport stoppages, strafing of vehicles, and all other kinds of actions, even the mobilization of some Marxist-oriented sectors in the capital to commit provocations," he said.

Blandon, who gave a new conference this afternoon, made a general assessment of the military situation in the country and added that the Salvadoran Army holds the "initiative" in armed actions.

The military changes in the Army have been described as "routine and normal, yet important."

Colonel Leopoldo Antonio Hernandez has been designated new deputy chief of staff. Several brigade and military detachments commanders in the country's west and north have been replaced.

General Rafael Humberto Larios has been designated new National Guard director to replace Aristides Natoleon Montes, who retired. Blandon also reported that no changes would be made in zones experiencing greater conflict, such as Morazan, San Miguel, and La Union.

The officer said that in the past 12 days the Army initiated a counterinsurgency operation in the most important zones of guerrilla resistance, namely, Chalatenango and Morazan Departments in the country's east.

During this period [as received] when the Army has barred the presence of the press, Blandon said that the guerrillas have suffered 91 casualties, including dead and wounded and that the Army has seized 90 weapons of various calibers.

He admitted that the Army has suffered 14 casualties, including dead and wounded, during this operation.

According to Blandon, the Army's "success" in this counterinsurgency operation is due in part to the troops' "continuous mobility" and "rapid and secret actions" carried out by small units. [passage omitted]

On the subject of the "Iran-Contra" scandal, where some high-ranking Army officers have been mentioned, Blandon replied convincingly "I would have really liked to have helped them" (the contras).

Blandon said: "A spectacle has been set up in Washington, and the names of several military men have surfaced, including mine. I must say that I would have really liked to have helped the contras, but I am going to explain why I have not mentioned that opinion."

Blandon explained he respects President Duarte's policy of nonintervention in the internal affairs of other countries, despite the fact that "the Nicaraguans are constantly interfering in our country."

Blandon added that he does not help the anti-Sandinist rebels because he "does not have the means to do so; but if I did have, I would probably help them."

VENCEREMOS REPORTS ON 17-22 JUNE CLASHES

PA262055 [Editorial report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 2300 GMT 22 June carried several reports on Army-rebel clashes.

On 20 June at 1100, the Modesto Ramirez Central Front successfully ambushed a military convoy near km 20 on the northern trunk highway, causing 19 Army casualties. The attack also resulted in the total destructionof one of the vehicles in the convoy. The FMLN also states that "on 20 June at 1730, Atlacatl Battalion troops stepped on mines placed in their path by guerrilla units on Los Sirios hill, San Salvador Department. One soldier was seriously injured."

Another report states that "on 17 June at 1300, FMLN forces mined the path of an Atlacatl Battalion unit in the area known as El Campanario, Guazapa hill, San Salvador Department. This incident resulted in one Army casualty. Further reports indicate that on 19 June at 1800, FMLN forces attacked an Atonal Battalion unit that was relieving forces in the Cuchillo area on Guazapa hill, San Salvador Department, inflicting another casualty on the Duartist forces."

Venceremos goes on to report that on 22 June at 0830, FMLN forces clashed with 5th Infantry Brigade troops when the latter attempted to take control of El Carrizo hill in San Vicente Department. Later that day FMLN forces mined the brigade's path, killing one soldier and wounding two others. On 21 June at 1100, FMLN troops again clashed with 5th Infantry Brigade forces near El Carrizo hill. This action resulted in two Army casualties.

In conclusion, the FMLN reports that in 33 days of clashes it caused 145 Army casualties, both dead and wounded.

ORTEGA DELIVERS MASAYA ANNIVERSARY SPEECH 27 JUN

PA270237 Managua Domestic Service in Spanish 0040 GMT 27 Jun 87

[Speech by President Daniel Ortega on 8th anniversary of the "Tactical Retreat to Masaya"; place not given -- live]

[Text] Brother Nayif Hawatimah, representative of the heroic Palestine people; Nicaraguan brothers.

I am sure that the U.S. Government will say tomorrow that once again it is proven that the Nicaraguan people and the FSLN are allies of the Palestine people and of its revolutionary organizations. The U.S. Administration will make that accusation in its attempt to prove that Nicaragua is a terrorist state and that the Palestine people are a terrorist people. However, we, who determine our relations with the governments and peoples of the world -- not according to what U.S. leaders say, but according to what reason and justice say -- are now telling the U.S. rulers that we are not allies of the Palestine people, we are brothers of the Palestine people, and we are proud of this brotherhood. [applause] Even if the United States uses that relationship as a pretext to obtain the approval of the $105 million for the mercenaries in September 1987, we are not going to give up our fraternal relations with the Palestine people. [applause] The Palestine people are a heroic people struggling like the Nicaraguan people for peace, the right to self-determination, and independence.

Recently, Nicaragua has again demonstrated its desire for peace, its resolve for peace. We went to Panama on an invitation made by the Panamanian Government and its president. As we all know, Panama is a member state of the Contadora Group and was concerned about the Central American situation; they are still concerned about it. They were very worried, because the meeting to which all the Central American presidents were committed -- scheduled for 25-26 June in Guatemala -- was not going to take place. Therefore, there was deep concern about that, because the U.S. leaders were going to use that fact to tell the U.S. Congress: The Central American presidents cannot even meet; they are incapable of talking, because Nicaragua is an obstacle for peace. Therefore, we have to continue the war against Nicaragua.

We went to Panama. The meeting, the meeting [repeats himself] scheduled to take place in Guatemala to discuss peace took place in Panama, because the decisions we made in Panama are another demonstration and proof of the Nicaraguan people's desire for peace. The Central American presidents and the U.S. Government itself had to recognize Nicaragua's flexibility shown in our acceptance of the new date proposed by the Central American presidents. Nicaragua did not agree with that new date, because we defended the rights acquired by all the Central American peoples to be respected. The Central American presidents had committed themselves to meet 25-26 June. We were showing disrespect to the Central American people's rights by acting against that meeting. Therefore, we defended the dates of 25-26 June up until the last moment. We did not invent that date. That date was proposed by them [not further identified]. They decided on that date when they met in San Jose, Costa Rica, without inviting Nicaragua.

We agreed on the date. Then they spoke about a foreign ministers' meeting prior to the presidents' meeting and said that, therefore, the presidents' meeting could not be held prior to 25 and 26 June.

They also said that this meeting had to be held in August. They mentioned 6 and 7 August. We said we did not agree with this new date, that we should meet on 25 and 26 June. We said we could not accept this postponement of the date. We could not agree to attend any Central American foreign ministers' meetings because they would prove fruitless. But some Central American governments were adamant; the U.S. pressure was too strong. As a result, the meeting was not held. In Panama, and as still another gesture of flexibility because we do want peace, we accepted the new date of 6 and 7 August. This is the date that they proposed, not the date that we proposed. This is the date they proposed. We agreed on the date of 6 and 7 August for the foreign ministers' meeting. We have pointed out, however, that any meeting held between 26 June and 6 August, be it technical, of deputy foreign ministers, or of foreign ministers, should be sponsored by Contadora. Under these terms, we would attend a foreign ministers' meeting, a meeting sponsored by Contadora.

We cannot deny the constructive role that Contadora and the Support Group have played in favor of peace. The U.S. plot aims at liquidating Contadora's peace mission [words indistinct] that the Central American presidents dispute among themselves. They said: Let's make the foreign ministers meet first. Because the foreign ministers will never agree, there will never be a president's meeting. In this way, the U.S. Government will be fully justified and have every pretext to continue its terrorist policy against Nicaragua, to even launch an invasion of Nicaragua. Then there would not be any possibility of achieving peace. Contadora would be dead. The possibilities of dialogue among the Central American presidents would be killed.

This is why our meeting in Panama was so important. It so happens that in Panama -- the land of Omar Torrijos, who backed the struggle of the Nicaraguan people -- the Panamanian Defense Forces are the best guarantee for Panama's participation in the Contadora and Support Groups. The Defense Forces are also the best guarantee for the fulfillment of the Torrijos-Carter Treaties.

We arrived in Panama precisely during the time when the United States was even plotting to topple the Panamanian Government. For this, the U.S. Government would have used the Panamanian oligarchs. In this way, it would have killed Contadora and installed in Panama a government obedient to U.S. interests. In addition, it would not fulfill the Torrijos-Carter Treaties and would have in Panama a vast (?structure) for its military aggression against Nicaragua.

Those were the plans, but the firmness, the decision, the courage of the Defense Forces of Panama, of the Panamanian military, defeated the U.S. plan. [applause] So we are engaged in a new international effort for peace. Meanwhile, the U.S. leaders are hysterically launching accusations and slander against Nicaragua. They are launching attacks by the mercenary forces against the Nicaraguan people. They are killing children and women. They are attacking cooperatives. This is the work of the mercenary forces being paid and directed by the U.S. Government and they have been organized by the U.S. Government as well.

In the face of this situation, what have the Nicaraguan people to do but to get organized? Get organized to defend the fatherland and the revolution. We have to get organized, first of all, in the military aspect. In Managua we have been fulfilling the plans for the defense of our capital. The capital would be a strategic site at the moment of a direct intervention by the Yankee troops. In Managua, 60,000 reservists have already registered. [applause]

Out of Managua, out of the Pancasan Battalion, more than 5,000 combatants have left to fight and defeat the mercenary forces in the war zones. Fifty-five heroic fighters of Managua's Pancasan Battalion have fallen in combat. [applause]

In the United States a campaign is being waged in supposedly serious news organs. According to that campaign, Nicaragua has in some area of Cuba a fleet of MIG planes. They claim we have there either 17 or 20 MIG's. They say we have there 40 Nicaraguans, including pilots and technicians, who are ready to fly those planes at the moment of a U.S. action against Nicaragua.

They have been manipulating and spreading this information by various means, in supposedly serious and responsible U.S. newspapers, that, without checking with the Nicaraguans, assert that Nicaragua has either 20 or 17 MIG planes in Cuba, in an area of Cuba called [words indistinct]. They specify a place where supposedly the MIG planes are.

They also say that there are Palestinian pilots in Nicaragua. They need this type of report to create the idea that Nicaragua is getting armed in a disproportionate way and that it represents danger and a threat, and because of this planes have to be given to other Central American countries, and because of this there is the obligation to act against Nicaragua. All this is being done to convince the U.S. people that Nicaragua is a threat. They present MIG planes as having incredible technical and military possibilities.

Of course, it is not true that we have 17 or 20 MIG planes in Cuba. That is not true. What I can, indeed, say is that the MIG planes are here, here. We have 60,000 MIG planes. [applause] There are 60,000 MIG planes. Each Nicaraguan in his or her combat capacity is superior to that of one MIG plane or to that of an F-5. [applause] We have gathered here 60,000 MIG planes and can gather together more than 3 million MIG planes to combat the Yankee invaders and defeat them. [crowd shouts]

It is important that the U.S. Government becomes convinced once and for all that it will never defeat the Nicaraguan people through a military solution. The path is through a negotiated solution, dialogue, and by supporting the Contadora's peace efforts and the dialogue among Central American presidents. Then we will be achieving peace in Central America and then will the United States be making a contribution to peace in Central America.

However, as long as that peace does not come, as long as the U.S. Government insists in attacking the Nicaraguan people, as long as the U.S. Government tries to eliminate the Nicaraguan revolution, as long as the U.S. Government continues promoting terrorism against the Nicaraguan workers, peasants, and people -- we are obliged to prepare the military; to learn how to load and discharge an AK [rifle], shotguns, .22-caliber rifles, and all kinds of weapons; to be prepared; and to know how to combat, how to fight if they attack our fatherland. [applause]

This...in this 8th anniversary of the retreat, the Managua people are once again showing their determination to fight, their courage, and heroism. We will now march to Masaya. [crowd shouts] However, we will march to Masaya to get new impetus and to continue beating and defeating the Yankee aggressor [applause], whether it is raining or whether there is thunder or whether it is lightning, even if the U.S. Government dislikes this, Managua is at the vanguard of the defense of the fatherland. The retreat is on!

25 JUN SENATE RESOLUTION PROTESTED; ENVOY RECALLED

Bazan Recalled

PA272230 Panama City Circuito RPC Television in Spanish 2150 GMT 27 Jun 87

[Text] This is a special announcement. Dominador Bazan, ambassador to the United States, has been recalled for urgent consultations about the resolution released by the U.S. Senate on Friday, 26 June, the press secretariat of the presidential office told this radio station.

Foreign Ministry Communique

PA281544 Panama City Domestic Service in Spanish 1150 GMT 28 Jun 87

[27 June 1987 communique issued by the Foreign Ministry in Panama City]

[Text] In a note addressed to U.S. Secretary of State George Shultz, Panamanian Foreign Minister Dr Jorge Abadia Arias presented a vibrant and meticulously reasoned protest in the wake of the concurrent resolution issued by the U.S. Senate on 25 June 1987 about the Republic of Panama.

Foreign Minister Abadia's note states that the Panamanian Government categorically and firmly rejects the form and content of that resolution, because it not only constitutes unacceptable meddling in Panama's internal affairs, but also is a threat to national sovereignty and independence. The treachery of that meddling and the arrogance of that threat have been concealed under the usual banner of false liberation ideals.

The note states that the Panamanian Government will bring the seriousness of the threat contained in the resolution to the consideration of all world governments. Abadia points out that the U.S. Senate, within the framework of the resolution's objectives, dares to say that the security and stability of the Republic of Panama are vital to the security of all states on our continent and thus the Panamanian Government states that such an statement is a threat. Abadia adds that the U.S. Senate mentions the presence of 9,000 members of its armed Forces headquartered in Panama. Thus, he states that the Panamanian Government declares this to be an intentional reminder that we will have to face a threat within our own territory, along with an external threat.

Abadia states that the U.S. Senate goes on to warn that unimpeded operation of the Panama Canal is a matter of great interest to the Republic of Panama, the United States, and the free world. Thus, the Panamanian Government states that such an argument points to the possibility of using force in a most clumsy and threatening manner.

After pointing out that the canal is open to the peaceful transit of all nations, without ideological discrimination, the note states that if the United States should later claim that the development of a genuine democracy, offering guarantees for freedom of speech, press, and meeting, is a matter in the best interest of the Republic of Panama and the peoples of the region, the Panamanian Government would point out the sinister objectives looming behind that posture of judge and redeemer. Certainly Panama and other peoples in the region do not acknowledge foreign judges or redeemers other than God.

Commenting on another point of the resolution, Abadia states that the U.S. Senate pontificates that democracy, governmental respect for internationally-recognized human rights, and internal stability are the best long-term guarantees for security and economic health in Panama. The Government of Panama denounces any attempt to impose an individual foreign criterion concerning democracy and government constitutionality in limiting guarantees in cases of national emergencies. Panama considers the United States to be in open violation of internationally-recognized rights of all states and peoples to resolve and decide internal affairs without foreign meddling and to independently determine the bases for sovereignty and the means for achieving the common good.

Concerning these charges, particularly U.S. involvement in the conspiracy, Minister Abadia states that in his letter No 188 of 18 March 1987, addressed to the U.S. ambassador in Panama, he clearly warned of the danger posed by certain practices of State Department officials, such as drafting and supplying deceptive reports that are full of incorrect information, distortions, and falsehoods to the President, the Congress, and the U.S. media.

Giving specific examples, Foreign Minister Abadia says that the conspiracy of various U.S. Government offices and the indoctrination and manipulation of correspondents and news agencies began to emerge in 1985. This conspiracy has been aimed at weakening the internal position of the Panamanian Government and undermining its position at the international level. Abadia adds that the Panamanian Government knows that there is an effort by members of the U.S. Government to change or eliminate components of the law, behavioral patterns, rules and regulations concerning certain activities, value systems, and the governmental structure itself.

The note states that a detailed explanation of such an effort can be found in a State Department foreign policy document entitled Systematic Change as a Component of U.S. Foreign Policy. Minister Abadia asks: What arguments can be presented to support its promulgation and implementation within the framework of U.S. legislation if it violates fundamental principles of the OAS and UN charters?

Continuing Panama's arguments, Abadia states that in view of the close ties that exist regardless of partisan arguments of various administrations -- historical ties established between our two countries by the Panama Canal -- the Panamanian Government would prefer to hold other opinions for the time being. It would not be fair, under current circumstances, to say more, given the delicate state of credibility of the top echelons of the U.S. Government.

In a vibrant reproach to forego U.S. practices, the Panamanian foreign minister tells Secretary Shultz that it is necessary to clarify the Panamanian Government's position: If the United States chooses to revive the language and imperialist policies that we thought were dead, the Republic of Panama will again brandish the banners of liberation and anticolonialism.

In addition, in the face of the watchful conscience of the world peoples and veiled or open threats of the use of force against national integrity, it warns that the generation of 9 January 1964 is still alive and occupies leadership positions of majority popular forces in Panama. We urge the United States to weigh the consequences on the future of democracy in America if the United States tries to tie Latin American democracy to submissiveness to guidelines of U.S. foreign policy and the unilateral judgments and dictates of U.S. leaders. That would be a very harsh blow to budding democracies and the germination of democratic aspirations in Latin America.

Despite the vigorous and categorical tone of the Panamanian protest, and respectful of existing commitments between the states, Foreign Minister Abadía explains to Shultz that the time has come to exchange viewpoints, leaving aside double talk and reaching exact agreements. He adds that it is not advisable to allow events to take place without considering state interests, which we all must defend. He adds that Panama and the United States can continue to be partners in the Panama Canal within a framework of reciprocal respect.

The foreign minister's historic note was sent to the foreign ministers of the United States and European, and Asian countries maintaining relations with Panama, and to the 100 foreign ministers of the Nonaligned Movement. According to the note, the only forces available to the Republic of Panama in facing U.S. power are the consciousness and watchfulness of the community of nations and the courage of the Panamanian people in making maximum sacrifices to defend their sovereignty and independence.

Panama City, 27 June 1987

Delvalle Criticism

PA272246 Panama City Circuito RPC Television in Spanish 2152 GMT 27 Jun 87

[Statement by President Eric Arturo Delvalle on a U.S. Senate resolution on Panama; date and place not given -- recorded]

[Text] It is impossible for the Panamanian Government to accept the U.S. Senate determining the course of action of a foreign government. This posture openly contradicts the principles and liberty embodied by the illustrious men of that country in the U.S. Constitution. It likewise is impossible to accept the U.S. Senate's pronouncement about Panama, which is based on the opinions of obviously politicized sectors, such as the Chamber of Commerce, Industries, and Agriculture of Panama, the Civilianization Crusade, and the Panamanian archdiocese.

The U.S. Senate's action has clearly revealed what my government has pointed out again and again, that the subversive actions attempted by radical sectors of the Panamanian rightists are backed by radical sectors of the U.S. rightists to conspire against the independence and sovereignty of a free nation, Panama.

The Panamanian Government vigorously refutes the intolerable intervention of the U.S. Senate in the domestic affairs of the Republic of Panama. This action should be repudiated by every Panamanian citizen and every free nation of the world.

Defense Forces Communique

PA271917 Panama City Circuito RPC Television in Spanish 1730 GMT 27 Jun 87

[Communique issued by the General Staff of Panama's Defense Forces in Panama City on 27 June]

[Text] During the past weeks the U.S. Senate has become a center of political conspiracy against the Republic of Panama, violating all the rules of international law and all the obligations agreed to by that nation in various contractual documents, particularly the UN Charter, the OAS Charter, and the Inter-American Reciprocal Assistance Treaty (TIAR).

Using slander, blackmail, defamation, and threats, the Americans who hate our country have joined with local political forces who obey orders and receive financial aid for obscure objectives. They have used the lowest procedures against Panama and its civilian and military authorities to discredit them internationally.

The aggression against Panama is intended to break the balance of unity that exists in Central America, to turn the region into a huge war zone, and to create the conditions to deny the Panamanian people their legitimate rights according to the Torrijos-Carter Treaties.

The interventionist action, strengthened by the adoption of a resolution by the U.S. Senate, was preceded by an increased U.S. military presence in Panama, without the authorization of the Panamanian authorities, and in open violation of the canal treaties, which limit the presence of U.S. military troops in our territory for the sole and exclusive purpose of defending the canal. Their presence also violates all the regulations of international law.

Through this resolution, the representatives of a people who have been incapable of resolving scandalous crimes, among which we must mention the assassinations of brothers John and Robert Kennedy and that martyr of peace, Martin Luther King Jr, who also have been unable to reconcile themselves with public opinion because of their persistent meddling in various parts of the world, are condemning Panamanian authorities with no evidence in an arrogant action that constitutes a denial of justice.

The senators who signed this resolution are trying to condemn aspects of Panamanian institutional life, the fate of which pertains exclusively to national independent and sovereign decisions.

Free people of America and the world no longer accept any power acting as a gendarme and much less accept the attitude of rampant meddling by certain U.S. senators who are interested in resuscitating nefarious practices that were buried by history.

We declare our rejection of the outrageous U.S. Senate attempt, reflected by that resolution, to dictate guidelines to legitimately-established republic institutions and especially to the Defense Forces of Panama regarding its institutional, professional, and hierarchical structure, which are areas pertaining exclusively to our institution according to the basic law that regulates its operation.

[We declare] our confidence that the executive branch, in keeping with the dignified Panamanian foreign policy, will demand the most strict compliance with the Torrijos-Carter Treaties and will strengthen and continue its diplomatic actions to ensure that the United States of America will, on a strict time limit, end its violations of those treaties based on the hidden Machiavellianism that characterizes nefarious Law 96-70.

That the irresponsible resolution of the U.S. Senate will not make us change the doctrinaire, nationalist, patriotic, and developmental principles, and the preservation of peace, which are the objectives of all members of our Defense Forces.

No step backward!

[Signed] Members of the Staff

Colonel Marcos Justines, commander of the general staff; Colonel Alberto Purcell, deputy commander of the Air Force Staff and G-5; Colonel Elias Castillo Figueroa, deputy commander of ground forces staff and G-3; Colonel Bernardo Barrera, G-2 of general staff; Colonel Leonidas Macias, commander of police forces; Colonel Angel Mina Justiniani, commander of economic services; Lieutenant Colonel Ricardo Garibaldo, G-1 of general staff; Lieutenant Colonel Julio Ow Young, commander of the General Jose D. Espinar Military Training Center; Lieutenant Colonel Lorenzo Purcell, commander of the Panamanian Air Force; Lieutenant Colonel Rogelio Alba B., commander of the Joint Committee and the Defense and Security Commission; Lieutenant Colonel Guillermo Wong, commander of the combined Board of the Defense and Security Commission; Lieutenant Colonel Alberto Armijo, commander of the National Navy; Lieutenant Colonel Eros Ramiro Cal, inspector general; Lieutenant Colonel Eugenio Corro, commander of war materiel services; Lieutenant Colonel Teodoro Alexander, commander's aide-de-camp; Lieutenant Colonel Erik Aguilera, chief of the penitentiary system; Lieutenant Colonel Jose S. Motta, military attache of Panama in Washington, D.C.; Lieutenant Colonel Eduardo Herrera H., Panamanian ambassador to Israel; and Lieutenant Colonel Alfredo H. Ramon, military attache in Colombia.

Radio Commentary

PA280044 Panama City Domestic Service in Spanish 2230 GMT 27 Jun 87

[Unattributed commentary: "Setting the Course"]

[Text] The recent statements made by the U.S. Senate on Panamanian internal affairs are one of the worst mistakes that the United States could have made throughout the history of our bilateral relations that began in 1903.

The history of those relations are not exactly filled with pleasant memories for Panamanians. Traps, malice, advantageous positions, open and covert deceit, and lies disguised by hypocritical paternalism have always marked the U.S. handling of its affairs with our nation.

Our nation has been forced to get around its gringo partners' meanness on the canal problem to guarantee its sovereign rights and make its dignity as a sovereign, free, and independent country be respected.

Proof of what we are saying here is the immolation of our martyrs at the homeland's altar which made the United States realize that Panama is not part of its backyard as Central America has always been considered.

The ancestral rejection of Panamanians to consider their country as a banana republic, like *Theodore Roosevelt dreamed of, has always been a little thorn in the side* with which U.S. imperialism has tried to subjugate the Latin American peoples.

Far from being frightened by the Yankee power, we have shaken off the shackles that it has tried to impose on us throughout the history of our Republic, and in one way or another we have always won.

The U.S.' most crushing defeat, and consequently our greatest victory, was the signing of the Torrijos-Carter Treaties, which established the total return of the Panama Canal to our country in 1999.

Apparently the United States, or rather the most reactionary U.S. sectors, have never recovered from what they consider along with the defeat in Vietnam as one of the largest setbacks in the U.S. imperialist course. For that reason, since 1977 those sectors have been plotting with Panamanians who dream of the weight of the chains on their heels to frustrate the due fulfillment of the canal treaties.

The U.S. Senate statements made this weekend [as heard] should not be surprising, because they are only another step in a vast destabilizing plan that has not been completely exhausted and that consequently can still harbor even more dark phases. When the huge and crushing imperialist machinery is set in motion against a specific target, one should expect that each phase will contain increasingly harsher aspects. The next action could be, for example, to link Panama or its authorities with some plot or crime of unpredictable consequences. We shall be prepared for all that.

In addition, the fact that the United States -- the society of which is experiencing one of the most deplorable states of deterioration ever recalled by civilization -- tries to set itself as the final example of morality to pontificate about what is taking place in other parts of the world is evident proof of cynicism. That reminds us of the woman who through her window saw that the neighbor's clothes were dirty, but not because the clothes were dirty, but because she did not wash her windows.

Those who believe that the United States is a model of morality and spiritual excellence from which all of the planet's affairs are to be judged are no less than lackeys with the mentality of servants. Those who inside our country grant some validity to the U.S. Senate's interventionist action are not only lackeys, but also could be called traitors, because they are tolerating such infamous interference.

The U.S. senate actions, which were carried out only a few hours after Nicaragua -- thanks to the efforts made by the Panamanian president -- expressed its decision to attend the Esquipulas summit, in which a Costa Rican plan for regional peace will be discussed, proves that the most reactionary U.S. sectors will not allow regional peace and that this strategy will -- if necessary -- drag Panama into the regional conflict.

The fact that the Senate resolution directs part of its attack against General Manuel Antonio Noriega again demonstrates that unlike other military leaders, who were inclined to gently follow U.S. orders, Noreiga -- like various analysts have pointed out -- has been the hardest nut to crack for the gringos.

The truth is that the United States clearly knows that as the head of the Panamanian Defense Forces, Commander Noriega represents for the Panamanian people the most solid guarantee for the inflexible fulfillment of the canal treaties. He guarantees that no step backward will be made and that the last foreign soldier will depart from our country on the time that was previously set.

Finally, we believe that the Senate resolution has the importance it has. To put it bluntly, that means that the U.S. Senate can hold a mass [in the United States] if it wants to, but it cannot preach its sermon in Panama.

PRD's Escobar Response

PA290108 Panama City LA REPUBLICA in Spanish 28 Jun 87 pp 1-a, 2-a

[Text] Referring to the U.S. Senate resolution of 25 June, Romulo Escobar Bethancourt, president of the Democratic Revolutionary Party, PRD, and of COPPPAL [Permanent Conference of Latin American Political Parties], has said: "This is a blatant continuation of the meddling in Panama's affairs by the U.S. sectors who do not want to fulfill the provisions of the Torrijos-Carter Treaties."

Escobar has called the members of the political commission, the national secretaries, and the party's reorganization and consolidation commission to meet Monday at 1100 at the party's headquarters in Villa Lilla, San Francisco, to discuss the U.S. Senate resolution.

Concerning the matter, the PRD president said: "This new attempt to meddle in our domestic affairs will also elicit -- as it has a thousand times in the past -- the Panamanian people's expression of independence and sovereignty."

He added that this [not further identified] sector of the U.S. Senate wants Panama to return to its former status, when there was a Canal Zone and a governor here in Panama.

He said: This resolution seeks to exert pressure on Panama to move it away from its determination to strive for peace in Central America through the Contadora process through respect for the people's right to self-determination.

In addition to the PRD's National Executive Council, Escobar chairs COPPPAL, which includes 34 important regional political parties, such as APRA [Popular Revolutionary American Alliance] of Peru, PRI of Mexico, the Liberal Party of Colombia, the Peronist Party of Argentina, the Democratic Revolutionary Party of the Dominican Republic, the Brazilian Labor Party, and the FSLN of Nicaragua, among others.

DODD VISIT TO REVIVE 'CONSPIRACY VITALITY'

PA262217 Panama City MATUTINO in Spanish 24 Jun 87 p 6

["Let the People Judge" column by Ricardo Lince]

[Text] The Conspiracy Make-up, Part 4 [subhead]

The psychological war that we are entering with the arrival of Senator Christopher Dodd is one of the more spectacular phases which acts upon the spirit of the common man, not respecting borders or fronts. It works without rest, but does not kill, but instead convinces and utilizes the propaganda technique to discredit, disfigure, and affect Panama's image.

Senator Dodd's appearance in Panama to revive the conspiracy's vitality with the stimulating effect of his statements are part of the psychological operations, which by using propaganda are part of a whole host of actions and behaviors aimed at influencing emotions and attitudes of right-wing groups with which he met.

However, the senator, in his fact-finding trip, received as a reply the extension of the national emergency measures decreed by President Delvalle's government as a reply to the apologists and conspirators who hide behind propaganda as a subtle form of aggression.

We are facing the war of words with a specific basis which manipulates psychological and moral factors. There will be a greater use abroad of the powers of suggestion, which as Dodd's statements show, consist of introducing into public opinion ideas, feelings, and emotions to influence and move the masses into action by written and spoken words.

However, the Panamanian people know what to expect, know these tricks and mirages, and are preparing in a national front of clarification, where timely and quick replies are given, with the strategies and tactics to reply with truth, with the impact of facts, and with the decisions that rest upon the defense of being national and the sovereign destiny which the nation has set for itself for the year 2000.

'FRIENDS OF NORIEGA' ORGANIZATION CREATED

PA262243 Panama City MATUTINO in Spanish 24 Jun 87 p 14

[Article by Enrique Collins M.]

[Excerpt] Preparations for the [establishment of] provincial chapters of the group "Friends of General Noriega and the Defense Forces" [Amigos del General Noriega y de las Fuerzas de Defensa] are well under way under the leadership of Avelino Rojas, Laureano Moran, and Humberto Martinez, who are coordinating a nationwide program to support the "general of peace."

While the bases are becoming strong in the capital city, with members in San Miguelito, Calidonia, Chorillo, Santa Ana, Curundu, San Felipe, Juan Diaz, Chilibre, Pedregal, Betania, Ancon, San Martin and Pacora, the number of supporters is growing in Chorrera, Chiman, Balboa, Chame, and San Carlos. [passage omitted]

IRAQ'S TARIQ 'AZIZ, KLIBI ARRIVE IN BUENOS AIRES

JN170908 Baghdad INA in Arabic 0835 GMT 17 Jun 87

[Text] Buenos Aires, 17 Jun (NA) -- Tariq 'Aziz, deputy prime minister and foreign minister, and Chedli Klibi, Arab League secretary general, arrived here last night [16 Jun] on a visit to Argentina as part of a tour which will also include Venezuela within the framework of the seven-member committee entrusted with following up developments in the Iraq-Iran war.

Klibi and 'Aziz are scheduled to meet with Argentine President Raul Alfonsin, the Argentine foreign minister, and a number of government officials to explain the Arab view on ways to end the Iraq-Iran war and the dangers of the continuation of the war on security and stability in the region and the world.

Klibi and 'Aziz concluded a 5-day visit to the United Nations within the framework of the seven-member committee which met with UN Secretary General Javier Perez de Cuellar and UN Security Council members.

Meet With Alfonsin

PY181232 Buenos Aires TELAM in Spanish 0055 GMT 18 Jun 87

[Text] Buenos Aires, 17 Jun (TELAM) -- Within the framework of a tour that has taken him to the United States, Venezuela, and now to Argentina, Tariq 'Aziz, the deputy prime minister and foreign minister of Iraq, held a meeting today at the Olivos presidential residence with President Raul Alfonsin. According to an Iraqi official, during the meeting, which was also attended by Argentine Foreign Minister Dante Caputo, Alfonsin reasserted Argentina's support for finding a formula for peace in the Persian Gulf in keeping with its objective of achieving world peace.

'Aziz attended the meeting with Chedli Klibi, the Arab League secretary general; and Cortes Funes, Argentine ambassador to Iraq.

The Iraqi foreign minister briefed the Argentine president on the situation Iraq is now experiencing and told the press that during the meeting they discussed several issues pertaining to Argentine-Iraqi bilateral relations.

'Aziz on Persian Gulf War

PY191718 Buenos Aires TELAM in Spanish 1214 GMT 19 Jun 87

[Text] Buenos Aires, 19 Jun (TELAM) -- Tariq 'Aziz, the deputy prime minister and foreign minister of Iraq, who made an official visit to our country, has explained the goal of his visit was to inform Argentine authorities about the efforts being made to stop the Persian Gulf war with Iran.

In addition, 'Aziz said: We have expressed our wish that Argentina, as a member of the UN Security Council, support the issuance of a resolution by that international forum, forcing a halt to the conflict and to achieve a peaceful, just, and stable solution.

In comments to the morning daily LA NACION, 'Aziz described his visit to the Argentine authorities as successful. After mentioning that the relationship between the two nations is good, 'Aziz said: We hope they will be strengthened and increased, not only with Iraq but with the other Arab states.

'Aziz pointed out that, in his opinion, the war (which broke out in September 1980) and the confusion and destabilization experienced in the area is the result of the expansionist intimidation of the Iranian regime. He added that the Iranian methods of continuous aggressiveness are increasing the tensions in the area and give rise to difficulties which hinder international trade.

Meet With Caputo

PY172157 Buenos Aires TELAM in Spanish 1708 GMT 17 Jun 87

[Text] Buenos Aires, 17 Jun (TELAM) -- Foreign Minister Dante Caputo held a meeting at noon today with Chedli Klibi, secretary general of the League of Arab States. Caputo thus granted the visitor's request for an audience to explain the Arab countries' stance on the Persian Gulf problem and the Iran-Iraq war.

As it may be recalled, last March when Argentina was exercising the presidency of the UN Security Council, a peace proposal for the two warring countries was submitted to the Council, which is currently analyzing it.

The meeting, which was lengthy and substantive according to what was disclosed, allowed an exchange of opinions between Klibi, Caputo, Argentine Foreign Ministry Under Secretary Jorge Mouhurat, Iraqi Foreign Minister Tariq 'Aziz -- who is accompanying Klibi -- and the Saudi Arabian ambassador to Argentina, Fuad Ahmab Nazir.

FOREIGN MINISTER CAPUTO RETURNS FROM U.S.

PY290214 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2115 GMT 28 Jun 87

[Excerpt] Buenos Aires, 28 Jun (NA) -- Foreign Minister Dante Caputo returned today from the United States, where he kept a busy schedule of meetings in connection with the Argentine-British dispute over the Malvinas Islands, and with the upcoming UN resolution on the Iran-Iraq war. Caputo, who arrived at Ezeiza Airport at 1000, avoided newsmen and boarded a car immediately upon leaving the plane. [passage omitted]

SOURROUILLE, MACHINEA LEAVE FOR U.S. VISIT

PY280142 Buenos Aires TELAM in Spanish 0121 GMT 28 Jun 87

[Text] Buenos Aires, 27 Jun (TELAM) -- Central Bank President Jose Machinea tonight stressed that the top officials of the economic team are off to Washington, where they will put the final touches on the recent renegotiation of the foreign debt. The last step consists in obtaining the IMF's final agreement in order to obtain the release of funds for Argentina.

Machinea made these remarks at Ezeiza Airport just before departing for the United States with Economy Minister Juan Sourrouille and Economic Policy Under Secretary Juan Sommer.

DEFENSE MINISTRY DENIES WEAPONS PURCHASES REPORT

PY172348 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1518 GMT 17 Jun 87

[Text] Buenos Aires, 17 Jun (NA) -- The Defense Ministry today termed "absurd" a report from Sweden, that Argentina spent more than $6 billion for weapons in 1986. The Defense Ministry then recalled that the overall budget for the Armed Forces, the security forces, and the Defense Ministry is only "one-third" of that amount.

The report on the weapons expenditure has been released in Sweden by the Research Institute for Peace, which has prompted an immediate reaction from Defense Ministry authorities who categorically denied the figures mentioned by that organization.

A reliable Defense Ministry source today stated that "the report is absurd" because "in the 1986 fiscal year, only one-third of the amount mentioned by the Swedish Institute was spent by the Defense Ministry, the Armed Forces, and security forces.

According to the report distributed in Stockholm, Argentine expenditures for weapons reportedly surpassed those of Australia, the GDR, and South Africa.

It adds that Argentine expenditures for weapons purchases last year "easily surpassed those of Chile, Venezuela, Cuba, and Mexico put together."

OFFICIALS ON ARMY MODERNIZATION, DUE OBEDIENCE

PY271806 Buenos Aires BUENOS AIRES HERALD in English 27 Jun 87 p 11

[Text] (NA-DYN) -- Defense Minister Jose Horacio Jaunarena yesterday discussed the Army's modernization plans with the force's High Command. The meeting was over lunch on the last day of the Army's High Command plenary meeting.

The issues discussed at the meeting were mostly professional, but the repercussions of the sanctioning of the due obedience law and the situation of the officers who participated in the Holy Week insurrections were also analyzed.

Another sensitive issue was the possibility that serving military officers could testify against regional commanders in the trials covering the fight against subversion. Unit chiefs reportedly told Caridi that subordinate officers "do not want to set foot in a court-house, not even as witnesses."

Army Chief-of-Staff Jose Caridi, who presided over the meeting, issued instructions regarding the implementation of plans to improve the force's efficiency.

After the plenary, Jaunarena met with President Raul Alfonsin to inform him of the conclusions reached.

In related news, President Alfonsin will next Thursday present recently-promoted Generals, Brigadiers and Rear-Admirals with their new insignias.

Caridi will be among those to be presented with their new rank insignias by the president, as his promotion to Major General was one of the 188 accepted by the Senate last Wednesday.

TROCCOLI SAYS NO STATE OF SIEGE UPCOMING

PY270123 Buenos Aires TELAM in Spanish 0030 GMT 27 Jun 87

[Excerpt] Buenos Aires, 26 Jun (TELAM) -- Interior Minister Antonio Troccoli today said that at no time has the government thought of enforcing a state of siege as a result of the bomb attacks on Radical Civic Union [UCR] offices which were carried out with the intention of harassing and causing unrest in Argentine society.

Troccoli said he believes these incidents are not related to the September elections. He also urged all Argentine citizens not to be taken by surprise, and not to be scared because the security system in the country works.

He said: consequently we ask people to be calm, to have common sense and to be in good spirits so as not to lose our heads or to be mired in despair, which is the objective of these terrorist methodologies and attitudes.

Troccoli made this statement at Government House at the end of the closing ceremony of the 9th Inter-American course on internal and international migrations that was held at the Interior Ministry's seals room.

Troccoli added the state of siege is a constitutional tool that is available to the government that will be used when it is absolutely necessary. However, he said we do not like to use it and want even less to restrict citizens' rights and jeopardize the upcoming elections.

He said he does not believe the attacks, which he described as terrorist, are related to the upcoming elections by stating they are independent actions, although the perpetrators of these attacks certainly benefit from the expectation caused by the election. [passage omitted]

PRESIDENT SARNEY'S VEHICLE STONED IN RIO 25 JUN

PY261747 Sao Paulo Radio Bandeirantes in Portuguese 1600 GMT 26 Jun 87

[Text] The Federal Police and the SNI [National Intelligence Service] are investigating the incidents in Rio de Janeiro yesterday, during which the bus transporting President Sarney was stoned. The decision to thoroughly investigate these incidents has already been made by the government. President Sarney is meeting today with SNI Chief General Ivan de Souza Mendes, Military Cabinet Chief General Rubens Bayma Denys, and Civilian Cabinet Chief Ronaldo Costa Couto to conduct a preliminary evaluation of those incidents.

The government believes what happened yesterday in Rio de Janeiro is serious and is adopting measures to clarify the incidents.

Sarney Suffers Hand Injury

PY270224 Rio de Janeiro O GLOBO in Portuguese 26 Jun 87 p 3

[Excerpt] One of President Sarney's hands was injured, his son-in-law and private secretary Jorge Murad suffered cuts to the face caused by glass shards, and Brazilian Radiobroadcasting President Antonio Martins received a cut on the forehead during an incident that marked the end of a 7-hour official visit to Rio de Janeiro by President Sarney. Government Spokesman Antonio Frota Neto described the demonstration as an offense to both the president and the institutions. [passage omitted]

Police Identify Three Involved

PY271549 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 27 Jun 87

[Text] The federal police have already identified three of the demonstrators involved in the incident with President Sarney from photographs published by the newspapers.

The demonstrators will testify on 29 June and will be subject to prison terms ranging from 1 to 3 years for attacking the president of the Republic. The authorities expect to identify more people, using the video tapes made by the television stations.

O ESTADO Describes Stoning

PY270304 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Jun 87 p 1

[Text] Approximately 200 enraged CUT [Sole Central Organization of Workers] members shouted: "thief, thief, Sarney, the Maranhao Pinochet" and "Sarney, donkey and scoundrel, you are stealing our salary" at President Sarney as he arrived at the Brazilian Academy of Letters. When Sarney left, the CUT demonstrators were joined by former Governor Leonel Brizola's fans. Sarney firmly signaled to his security men that he wanted them to clear the way, indicating he wanted to face the enraged unionists. He managed to get on the bus protected by military police and Army Presidential Escort Battalion soldiers, and went to the Imperial Palace where he attended a ceremony. When he returned to the bus the demonstrators started throwing stones and broke the window by the president's seat.

Returning by plane to Brasilia, Sarney commented, "violence is not spontaneous." Presidential spokesman Frota Neto went a bit further by saying: "There was an attack which was directed against the democratic institutions rather than at the president. No one should mistake tolerance for weakness. There is a limit to the government's patience."

Military Minister on Incident

PY271541 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 27 June 87

[Report by Tania Monteiro for the "Jornal Nacional" newscast]

[Text] Last night, Aeronautics Minister Brigadier General Octavio Julio Moreira Lima described as regrettable the incident that occurred in Rio de Janeiro on 25 June involving President Sarney.

Minister Moreira Lima and the other military ministers participated in a meeting at Planalto Palace that was called by President Jose Sarney to review the incidents that occurred on 25 June. According to Moreira Lima, not only the president's but also the ministers' security will be stepped up to prevent them from being caught by surprise by demonstrations, like the one against President Sarney.

In the opinion of Minister Moreira Lima, it is essential for the entire society to repudiate this type of action.

[Begin Moreira Lima recording] It is essential for the entire society to repudiate this action because this is not typical of Brazilian people. The Brazilian people have a peaceful temperament. They never had such a disposition. Thus, these are discontented, frustrated groups who were defeated in past elections, and now are seeking to intimidate our society. This is just a violent procedure to intimidate our society, and our society cannot allow itself to be intimidated by a minority. [end recording]

The aeronautics minister added that the Armed Forces will fulfill their constitutional duty, and will not permit this type of group to continue agitating and disturbing the democratic process in Brazil.

Political Sectors Condemn Affair

PY270324 Brasilia Domestic Service in Portuguese 2200 GMT 26 Jun 87

[Text] The Air Force minister and the Armed Forces chief of staff condemned the incident [involving President Sarney's vehicle in Rio de Janeiro].

Air Force Minister Octavio Moreira Lima said that it was a regrettable incident and a provocation.

[Begin Martha Santeu report] The Air Force Minister who today attended the swearing-in of the new director of the Armed Forces hospital in Brasilia, said the incident was perpetrated by persons striving to undermine the democratic process.

[Begin Moreira Lima recording] I am certain that all Brazilian society repudiates an incident such as the one that was perpetrated yesterday. We are certain that this was promoted by a minority that is obviously trying to undermine the Brazilian democratic process. [end recording]

General Pablo Campos Paiva, the Armed Forces chief of staff, said an attack against the president is a crime. This is not an act of freedom. This is not democratic, it is something insane. [end report]

Northeastern state governors have also condemned the incident involving President Sarney's vehicle. Ceara Governor Tasso Jereissati said he is very concerned, and that the incident is an attempt to return to the past.

Rio Grande do Norte Geraldo Melo has said the incident was planned by well-known forces that strive to destabilize the government. Sergipe Governor Antonio Carlos Valadares agreed with Geraldo Melo and warned: We must take precautions against radical groups.

Bahia Governor Waldir Pires is quite concerned over the incident because he stated that Brazilian political structures are fragile. Moreover, the majority of Rio Grande do Sul legislators said today that Brazilian democracy will not be consolidated through violent means or by attacking the authorities or institutions.

PMDB [Brazilian Democratic Movement Party] bloc Leader (Germano Rigotto) said this action is unjustified and is promoted by sectors which because of ill will or naivete seek to destabilize the government, thus jeopardizing two decades of work toward the democratization of the country. (Rigotto) said it will be Brazilian society that will decide socioeconomic changes through political means and persuasion but never through violence.

PFL [Liberal Front Party] bloc leader (Germano Bono) said that disagreements must be resolved through dialogue. After stating that he supports the holding of demonstrations but no aggression or violence, PDT [Democratic Workers Party] Deputy (Antonio Barbedo) said that institutions must be respected regardless of political leanings otherwise Brazil will be submerged in chaos. PDS [Social Democratic Party] Deputy (Francisco Turra) said the incident was an attack against democracy and is no way to express disagreement with the present socioeconomic situation.

RADIOACTIVE LEAK DETECTED AT ANGRA I POWERPLANT

PY270330 Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 26 Jun 87

[Text] There is a leak of radioactive water at Angra I nuclear powerplant. The management of FURNAS Centrais Electricas [a Rio de Janeiro power company] reported today that company technicians will work this weekened to repair the leaking valve. The primary circuit of the nucleus of the reactor has been losing 100 liters of radioactive water per hour since 23 June. However, according to FURNAS management the radioactive water will not enter the environment.

[Madrid EFE in Spanish at 0049 GMT on 27 June in a similar sport adds: "The National Commission for Nuclear Energy (CNEN) today reported in Rio de Jeneiro that the Angra I nuclear powerplant on the coast of Rio de Janeiro has been closed because of a leak of radioactive water from the cooling system of its main reactor."]

SARNEY'S GOALS FOR POLITICAL, SOCIAL PACTS VIEWED

PY261925 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Jun 87 p 5

[Text] Brasilia -- Planalto Palace spokesman Antonio Frota Neto has said that the political pact sought by President Jose Sarney does not mean that the government has given up the idea of achieving a social pact, only that it believes political negotiations are the beginning of a broader agreement within society. Frota Neto believes President Sarney's highest goal is to consolidate the transition to democracy "with the participation of politicians, businessmen, and workers."

In Frota Neto's opinion, the proposal in favor of a political pact is a means of reaching a social pact, because interlocutors in the Congress have better-defined positions, and all they need now is "a closer contact with the workers." The government wants to stimulate the parties of the Democratic Alliance to become more involved with the labor union, hoping that in this way the trade union federations would not be the only ones to worry about the workers' demands and needs.

The spokesman emphasized that the pact "is a necessary truce in the country's difficulties." He admitted that, although the talks are now in a preliminary stage, some improvements can already be observed. On 27 June President Sarney will have dinner at the Granja do Torto [the president's country house in Brasilia] with Sao Paulo University Rector Jose Goldemberg and political scientists who have attended the symposium on the Brazilian political pact.

Frota Neto also said the talks which Senator Marco Maciel started yesterday with the members of several parties in the Senate have the support of Planalto Palace. Maciel's first contact was with Workers Party [PT] Chairman Luiz Inacio (Lula) da Silva, who discarded the possibility of any political or social pact. Nonetheless, Lula agreed to discuss Brazil's problems, "as long as concrete proposals are presented and the government is willing to listen to the PT when decisions are made."

PFL [Liberal Front Party] President Marco Maciel said he did not speak on behalf of the president of the Republic, but shared his concern over the serious economic problems the country must face "with the assistance of all the forces comprising society."

In addition to the PT president, present at the meeting with Marco Maciel were PT Secretary General Olivo Dutra (Rio Grande do Sul State) and deputy leaders Jose Genoino (Sao Paulo State) and Plinio Arruda [Sao Paulo State]. During a long talk yesterday morning, Lula said: "Senator, the problem is that Brazil has two presidents: a frightened one, Sarney, and a frustrated one, Guimaraes."

Lula stressed that under the current socioeconomic conditions there is no possibility to achieve a pact because that would denote "our support for an economic policy involving a loss in purchasing power." Maciel understands, however, that there are "points of convergence" that can be used in conducting the political transition. Maciel said: "For example, all of us are interested in finding a solution to over come the economic and social difficulties of our country." The PT president rebutted Maciel, recalling that the PT has concrete proposals for the society, "but the PT is not listened to by the government when decisions are made."

SENATORS LEAVING FOR U.S. TO DISCUSS FOREIGN DEBT

PY281642 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 27 Jun 87

[Report by (Arei Araujo) for the 'Jornal Nacional' newscast]

[Text] Senators Carlos Chiarelli, Fernando Henrique Cardoso, and Virgilio Tavora will be leaving for the United States today. Their goal is to contact U.S. bankers and financial authorities in Washington and New York.

The lawmakers are implementing a decision made by the federal Senate Investigations Commission, which is examining several aspects of the Brazilian foreign debt.

Senator Carlos Chiarelli, the chairman of the Senate commission charged with investigating the foreign debt spoke on the true goal of the delegation.

[Begin Chiarelli recording] Our goal is to show that the Brazilian debt does not involve an economic risk but a political risk, and that it is necessary to politicize the negotiations without neglecting the financial and economic viewpoint. It is appropriate to tell the creditor countries that they must understand that Brazil has the peculiarity of being the largest debtor country, and also the world's number eight economy, and that the stability of our economy favors not just Brazil but also our creditors and the tranquillity of the international economic relations.

We want to tell them that we intend to pay and remain in the international market and financial system, but that we will not give up the targeted 5-percent minimum growth figure to do away with the loss of purchasing power and overcome recession. [end recording]

Senator Fernando Henrique Cardoso is the [words indistinct] sponsor in Senate while Senator Virgilio Tavora is its vice president. The three senators will remain in the United States until 3 July.

DOCKWORKERS CALL OFF STRIKE, RESUME WORK

PY261820 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 26 Jun 87

[Text] In meetings held yesterday afternoon, dockworkers decided to suspend the strike and return to work. The dockworkers accepted the counterproposal made by Portobras [Brazilian Ports Enterprise]. Union secretary Joao Batista Quinta explained the situation.

[Begin Quinta recording] In the end we accepted a counterproposal. In view of the country's current situation, however, we believe we did score a victory for the dockworkers. We will now keep an eye on the process so that as soon as the freeze is lifted we can insist on obtaining what we did not get this time. [end recording]

Dockworkers returned to work today with the promise that they will not be punished for joining the strike.

MINISTER GARCIA ON ELECTORAL DRAFT BILL

PY251610 Santiago Domestic Service in Spanish 1030 GMT 25 Jun 87

[Text] President Augusto Pinochet today signed a document containing the draft bill regulating voting and the vote count. This document, which will be submitted to the government junta, contains 167 permanent and 7 temporary articles divided into 10 chapters. This information was disclosed by Interior Minister Ricardo Garcia, who stated that the president has thus reasserted the government's desire to facilitate all phases of the electoral process so the citizenry has all the tools necessary to participate in the upcoming elections, as provided for in our Constitution and laws.

The minister said that the text of the law is quite long. However, he disclosed some of the document's salient points.

[Begin Garcia recording] Article No 1 refers to the preliminary arrangements for the election, which entail presenting the candidates, preparing the voter registration cards, preparing the electoral propaganda, setting up voting tables and stations, and preparing the voting materials.

Article No 2 refers to the election itself: how to set up the voting tables, how to go about voting, and how to carry out the vote count one ballot box at a time, turning in unused registration forms and materials.

Article No 3 refers to the local vote count, the vote-count committees, and how to carry out the vote count.

Article No 4 refers to claims of irregularities.

Article No 5 refers to the overall vote count and approval of the results of the election by the proper court appointed by law.

Article No 6 refers to public order, to the maintenance of public order at the voting stations and throughout the electoral process, and to the forces in charge of maintaining order.

Article No 7 refers to the [word indistinct] and general procedures, the mistakes and crimes that may be committed during the elections.

Article No 8 refers to the independence and immunity of the members of electoral bodies and voters, of the sites where the election will take place, and of those in charge of the voting tables.

Article No 9 refers to the publication of the results of the elections.

Article No 10 refers to special measures designed to regulate the plebiscite and the elections for president of the Republic and establishes the basic guidelines for the election of parliamentarians. [end recording]

Minister Garcia then said that the seven temporary articles are designed to regulate some issues stemming from the temporary articles [contained in the 1980 Constitution] and especially the plebiscite provided for by the Constitution for electing the president of the Republic. Garcia said the law clarifies many of the doubts experts on the subject may have.

The minister also referred to some other articles of the legal document.

[Begin Garcia recording] Article No 39 is probably one of the most important ones. It states that every Chilean citizen over 18 years of age has the obligation to vote unless he is legitimately unable to do so. As a consequence, the duty to vote is inherent for all citizens. As I have stated before, since it is necessary to register with the electoral court to be able to vote, all citizens must fulfill their duty of registering with the electoral court because this is a necessary requirement to vote. [end recording]

The Interior Minister went on to say that whoever does not vote, as established by Article No 119 of the draft bill, will be subject to a sanction. The draft bill proposes to the government junta that this sanction consist of a fine of between 1/2 to 3 monetary units per month, which would currently amount to 20,000 Chilean pesos. This fine will go to the municipality.

Another interesting point of the draft bill refers to publicity and propaganda. In this regard minister Garcia stated:

[Begin recording] Electoral propaganda through the press, radio, and television will only be allowed from the 30th up to the 3d day before the election. The draft bill also provides for all necessary guarantees so that the candidates running for election or the political parties represented or involved in the elections be duly represented at the various voting tables and participate in the procedures following the elections. [end recording]

Minister Garcia said that, in sum, this represents an important move in the institutional process from the political-electoral point of view. Regarding the plebiscite, it was stated that the draft bill contains all regulations referring to it. In referring to parliamentarians, he said that it still has not been decided how many parliamentarians will be elected and who the candidates will be.

'SUBVERSIVE' ATTACKS REPORTED IN SANTIAGO

Rockets Defused

PA271625 Paris AFP in Spanish 1610 GMT 27 Jun 87

[Text] Santiago, 27 Jun (AFP) -- Today Chilean Carabineros deactivated two rockets installed by subversives and presumably aimed at the La Moneda presidential palace.

The explosive devices were in the attic of the Bank of Boston, which is adjacent to Constitution Plaza located in front of the presidency.

The incident took place 12 hours after a group of eight masked people opened fire on a Carabinero patrol, seriously wounding three policemen guarding the crowded Santo Julia sector.

Radio, Police Station Hit

PY261940 Santiago Domestic Service in Spanish 1700 GMT 26 Jun 87

[Excerpts] An announcer of La Voz de la Costa radio station in Osorno sustained a slight wound on the arm during an attack by a group of unidentified individuals who opened fire on the station.

It was learned here this morning that the attack took place at 2300 last night. The perpetrators fired their weapons at the station from a car. [passage omitted]

Carabineros also disclosed that a group of unidentified individuals detonated an explosive device at a social club on the corner of (Sueripue) Street and Alley Way No 7 in Macul district.

The attack took place at 0200 this morning and caused considerable damage to the doors, windows, and roof of the building. The shockwave also shattered the windows of five neighboring buildings. Carabineros reported that no victims resulted from the explosion of 150 grams of ammonium gelignite detonated by a slow-burning fuse.

This morning the press department of Valparaiso Prefecture issued a report that a police station had been the target of gunfire. The official communique reads:

Yesterday at approximately 2000 unidentified individuals opened fire on the Valparaiso Prefecture police station, but they did not achieve their objective since no one was hurt. The attack caused minor damage. The attack took place last night against the police station located on the corner of Buenos Aires and Colon Streets.

Police Van Ambushed

PY270401 Madrid EFE in Spanish 0300 GMT 27 Jun 87

[Text] Santiago de Chile, 26 Jun (EFE) -- Three Carabineros were shot and wounded during an attack that took place tonight in a southern neighborhood of this capital, according to Radio Cooperativa.

According to this source, three hooded men machine-gunned a police van and the three Carabineros who were riding in it.

First Lieutenant Perez and Corporal Hidalgo and Letelier, the wounded policemen, were taken to the police hospital.

Radio Cooperativa added that the attackers used a public bus, and that after the attack they escaped into "Santa Julia" township where the police are conducting a dragnet operation with the help of two helicopters.

None of the terrorist groups has claimed responsibility for the attack so far.

PATRIOTIC UNION CRITICAL OF BARCO'S TRUCE CHANGE

PA271406 Hamburg DPA in Spanish 1920 GMT 24 Jun 87

[Text] Bogota, 24 Jun (DPA) -- Today the Colombian left-wing Patriotic Union (UP) movement said that President Virgilio Barco's decision to consider the FARC-Armed Forces truce broken in areas where the military is attacked is a "dangerous act."

In a communique issued by its national coordinator, the UP states that "in an act dangerous for the future of Colombia, the president made the serious decision to give the Armed Forces the authority to decide when the cease-fire can be interrupted, in any region of the country, without taking into account the murders and abuses that some of their members have committed, as we have already proven overwhelmingly."

However, the UP recognizes that the president "did not fully satisfy warmongering circles who demanded that the president start a civil war," in reference to some sectors that requested an immediate end to the truce.

The truce, signed in 1984 between the government of President Belisario Betancur Cuartas and the pro-Soviet FARC, had its most difficult moment last week when the subversive organization attacked and killed 27 military men, which the secretary of the rebel group described as a reply to Armed Forces "harassment."

The communique adds: "It is also serious that the war in the prosperous Caqueta Department (in the southwest) should be declared official, which brings the region's people to the brink of the consequences of war, as the Bishops of Florencia and San Vicente de Caguan have patriotically pointed out. In other words, one part of Colombia should be considered a war zone, with the resulting death and grief that it brings about."

Likewide, the UP insists that it is a legal movement, unlike the FARC, and can therefore demand guarantees for its followers' lives and its political activities.

Last weekend there were three terrorist attacks in Bogota against the headquarters of the Communist Party of Colombia (PCC) and the UP, committed by ultraright groups that did not identify themselves.

In its statements, the left-wing movement is surprised at the president's "silence" which [words indistinct] threatens to kill their leaders (of the UP) as has been already done with more than 400 of our followers."

The UP, which was founded at the end of 1985 by the PCC and other trade union and people forces, is considered the link to ease the integration of FARC guerrillas into legal political activity.

The movement, which has 14 seats in parliament, has been the victim since its founding of an upsurge in violence, in which approximately 400 of its followers, including two parliamentarians, have been murdered.

BARCO CEASE-FIRE CONTINUATION SPLITS PARTIES

PA262206 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 24 Jun 87

[Text] Bogota -- President Virgilio Barco's decision to maintain a cease-fire with FARC provided this organization refrains from attacking the Army has divided the political parties. While the Liberal Party backed the government fully, the Conservative Party criticized it and the Patriotic Unity [UP] described it as dangerous.

Ernesto Samper Pizzano, president of the National Liberal Directorate, asked for the renegotiation of the peace accords and said that President Barco has taken the first step to consolidate and clarify the peace process. Samper said that on criticizing the government's decision, former presidential candidate Alvaro Gomez Hurtado showed he wants a full-scale war to be declared. Samper said, however, that neither the Liberals nor the country will accept one more insult.

Ex-President Misael Pastrana Borrero, according to whom Barco's speech was confusing and misleading, said that by saying that the cease-fire will not operate where the public forces are attacked, Barco split the process. Pastrana recalled that the truce was signed with FARC's Central Command, rather than with each of the fronts. The guerrillas' leadership is responsible for the activities of any of the fronts.

Although UP admitted that Barco failed to fully satisfy those inclined to war, it pointed out that a serious precedent has been established. The head of state has given authority to the Armed Forces to determine where the truce is in effect. The party feels that political solutions to prevent armed confrontations are thus hampered.

The New Liberalism backed the president's posture and added that the truce cannot continue indefinitely and permanently. The party supported the president's determination to clarify the process.

BRIEFS

58 KG COCAINE CONFISCATION -- The Armed Forces confiscated 58 kg of cocaine hydrocholoride and arrested four individuals -- Armando Castaneda Gomez, Jose Moreno Garcia, Jose Pardo Ladino, and Misael Boyaca Suarez -- who were transporting the drug camouflaged in a shipment of flowers on board a flight to Miami. [Summary] [Bogota EL TIEMPO in Spanish 19 Jun 87 p 3-a PA]

REPORT ON APPOINTMENT OF NEW PRIME MINISTER

PY270128 Lima Television Peruana in Spanish 0100 GMT 27 Jun 87

[Excerpt] President Alan Garcia today appointed Senator Guillermo Larco Cox as prime minister. In keeping with the Constitution, Larco Cox will now propose the names of the members of the new Cabinet.

It has been reported that the names of those making up the new Cabinet will be disclosed within the next few hours. It was reported that the new Cabinet reportedly will be taking the oath of office on 28 June.

Larco Cox's appointment was disclosed after an exhaustive Cabinet meeting during which the administration studied in detail the situation of each national sector.

The 3-hour Cabinet meeting started at 1230 although the Cabinet members had been at Government Palace since 1130 holding preliminary meetings. This morning, President Garcia held a meeting with the members of the APRA [American Popular Revolutionary Alliance] National Executive Board, among whom were Armando Villanueva, Luis Negreiros, and (Jose Barzalo) who have been in permanent session for 3 days in view of Luis Alva Castro's irrevocable resignation. [passage omitted]

Biographical Data

PY270038 Madric EFE in Spanish 0005 GMT 26 Jun 87

[Text] Lima, 26 Jun (EFE) -- President Alan Garcia today appointed Senator Guillermo Larco Cox as the new Peruvian prime minister. Larco Cox replaces Luis Alva Castro who resigned on 22 June.

Larco Cox, a 55-year-old civil engineer, is presently chairman of the Senate Defense Commission and holds the first vice presidency in the Senate.

The new prime minister will take the oath of office before President Garcia probably on 28 June, according to the government news agency ANDINA which confirmed the appointment of the prime minister. ANDINA added that Larco Cox, together with President Garcia, will decide within the next few hours who will be appointed to the new Cabinet.

As chairman of the Senate Defense Commission, Largo Cox was one of the main promoters of the recent fusion of the military ministries into a single Defense Ministry which is still in the process of implementation.

Larco Cox was twice mayor of Trujullo. He was first elected in 1963 and then again in 1966. Between 1980 and 1985 he was a deputy of President Alan Garcia's APRA.

He was jailed for 1 and 1/2 years in 1968 after he lowered the flag to half mast after the coup d'etat headed by General Juan Velasco Alvarado.

Larco Cox, who is married and has seven children, represented the Peruvian legislative branch before the Latin American parliament and before the World Interparliamentary Union in 1986.

During the domestic crisis unleashed last month by the illegal strike carried out by the Lima police, Garcia appointed Larco Cox as the mediator of the conflict.

Larco Cox Talks to Press

PY271455 Lima RBC Television in Spanish 0405 GMT 27 Jun 87

[Excerpts] Senator Guillermo Larco Cox today was designated prime minister. As he came out of the Government Palace, the new prime minister confirmed that he will also be in charge of the Ministry of the Presidency. [passage omitted]

[Begin recording] [Reporter] How do you like taking over two posts, Senator?

[Larco Cox] It is not a question of liking it or not. It is a question of responsibility, and I do not believe this is the time to think of personal preferences. We must think of our responsibility to the country. From this perspective, I can tell you that the fact that I have on my side the Senate president and the APRA secretary general should be interpreted as symbolic of the way we will carry out the work. We will not commit the mistakes of not recognizing errors. So errors that may have been committed will be corrected, without departing, however, from the line APRA has set down as its economic model, which is inspired by the democratic, nationalist, and popular concern of the ruling party.

[Reporter] Can you give some names in the new Cabinet?

[Larco Cox] This matter is 90 percent resolved, but we do not have all the names yet. So, I ask you to wait. Quite soon, tomorrow at the latest, we will be making public the proposal of the prime minister to the president of the Republic.

[Reporter] How do you [word indistinct] your portfolio?

[Larco Cox] I will be in charge of the Ministry of the Presidency.

[Reporter] It has been announced [words indistinct] to succeed [name indistinct] in the post Mr Gustavo Saberbein. Can you confirm this?

[Larco Cox] Yes. This is correct.

[Reporter] Will there be women in the cabinet?

[Larco Cox] The presence of women in the Cabinet is confirmed.

[Reporter] Any names?

[Larco Cox] I told you I will give the full list tomorrow. If I do not give the full list, it would be like pulling teeth one by one, without anesthesia.

[Reporter] What can you tell people at this time?

[Larco Cox] Some ministers will be retained. We have had a long working session with all of them, and we will continue to work on the speech the president of the Republic will address to the nation on 28 July, in compliance with the Constitution. So, I ask you not to inquire about details, because these details will be included in the address to the nation by the president of the Republic. But since some economic measures must be adopted immediately, these measures will be announced next week by the president of the Republic himself.

[Reporter] Will the defense minister be installed [words indistinct]?

[Reporter] [Question indistinct]

[Larco Cox] I have already said this, but I will be glad to repeat it. I do not believe this is the time to think of personal preferences. This might be pleasing to others. To an APRA member, and to me in particular, this means assuming a serious responsibility, which I will try to fulfill at all times. This responsibility is to the people who elected the party after a long, tense wait, which cost many lives. This opportunity cannot be wasted, nor does it allow for short-sighted attitudes. The APRA was not elected to be short-sighted. With the APRA, the democratic system will be confirmed, ratified, and consolidated.

[Reporter] Will you call a news conference, Senator, to announce the new Cabinet?

[Larco Cox] When I have the new list complete, as I said before, I will be glad to call a news conference.

[Reporter] What would you tell people to end this period of tension?

[Larco Cox] To begin, I can say there was no reason to become tense. It is true that the country cannot go without a Cabinet for a long time, even when routine matters are being taken care of within the respective portfolios, because the ministerial function calls for more than taking care of routine matters.

[Reporter] Does the fact that President Alan Garcia, Armando Villanueva [Senate president] and Luis Negreiros [APRA secretary general] are standing with you have any significance for the APRA?

[Larco Cox] The significance is that the party will be consulted at all times regarding the measures this new Cabinet will adopt.

[Reporter] What about the program that has been implemented in the past 21 months of government?

[Larco Cox] The program has been well-conceived. The program is valid, and if there were some errors in its implementation, they can be corrected. This is what we will do: Improve it and then implement it. In other words, as a Leninist would say, we will take one step backward so that we can take two steps forward -- even if this is not right for some sectors.

[Reporter] What is your attitude toward the opposition?

[Larco Cox] The opposition is a necessary support in a democratic regime. The opposition is opposition, period. It is neither constructive nor destructive. In our long political life in the opposition, we learned to respect the opposition, as we are doing and will continue to do through ongoing contacts, because the country's problems cannot be handled by the government alone.

[Reporter] A permanent dialogue, you mean?

[Larco Cox] That's what I mean. [end recording]

Garcia Confirms Cabinet

PA281920 Paris AFP in Spanish 1728 GMT 28 Jun 87

[Excerpts] Lima, 28 Jun (AFP) -- Today Peruvian President Alan Garcia confirmed the members of the new ministerial Cabinet, chaired by Guillermo Larco Cox, who has replaced the chairman who resigned last Monday. This confirmation overcomes Garcia's first government crisis since taking office on 28 July 1985. [passage omitted]

The new ministerial Cabinet, complete with the two ministers whose confirmations were pending, and which will be sworn in tomorrow, Monday, at the government palace, is as follows:

Prime minister and Presidency minister: Guillermo Larco Cox. Interior minister: Jose Barsallo Burga. Economy and finance minister: Gustavo Saberbein. Health minister: Hilda Urizar. Education minister: Mercedes Cabanillas. Energy and mines minister: Abel Salinas. Transportation and communications minister: Army General GermanPparra Herrera, retired. Foreign minister: Allan Wagner. Labor minister: Orestes Rodriguez. Housing minister: Luis Bedoya Velez. Agriculture minister: Remigio Morales Bermudez. Industry, commerce, integration, and tourism minister: Manuel Romero. Justice minister: Carlos Blancas. Fishing minister: Javier Labarthe. War minister: General Jorge Flores. Navy minister: Admiral Willy Harm. Aeronautics minister: General Jorge Guerra.

EFE VIEWS NEW ECONOMIC POLICY, SITUATION

PY272149 Madrid EFE in Spanish 2109 GMT 27 Jun 87

[Text] Lima, 27 Jun (EFE) -- Guillermo Larco Cox, the new Peruvian prime minister, has announced that the new Peruvian Government will immediately adopt a series of economic measures in an attempt to reverse the current crisis.

The new prime minister, who was named on Saturday [day as received], did not say what the measures would be, but business circles believe they will lean toward relaunching the so-called "heterodox model" that was adopted by President Alan Garcia. The government will also try to recover the businessmen's lost confidence in the government by granting the greater credit and exchange facilities they are demanding.

The newspaper LA REPUBLICA reported today that Larco Cox is considering a conservative policy that is closer to the rightist sector of the so-called "old guard" of the governing APRA.

The new Peruvian prime minister said in his first remarks, but without going into details, that the errors committed during the tenure of Luis Alva Castro, former prime minister and economy minister, will be corrected.

The internal economic crisis and the disagreement between [words indistinct] together with Alva Castro are considered to be the factors that unleashed the first government crisis in the nearly 2 years of Alan Garcia's government.

When Alan Garcia assumed power, he decided to pay the Peruvian debt with only 10 percent of the income from the country's exports. However, the government paid more than that 10 percent and this, together with a fall in the income from exports, caused an unscheduled decrease in the reserves.

According to the analysts, the government will tend to encourage investments to reactivate production and reach the 6-percent growth rate established for 1987. This rate is 2 points lower than the 1986 rate.

The new economic team, headed by Gustavo Saberbein in the Finance Ministry, will apply a more consistent policy for the 10 percent strategy. This does not mean that Peru will exclude a frank, open, direct, and positive dialogue with the creditors, the magazine PERU ECONOMICO stated.

Meanwhile, according to the newspaper LA ACTUALIDAD, Larco Cox told a group of congressmen that the country needs more dollars for its development and to overcome its economic crisis. "Since the international banks have stopped granting credits to Peru (because of its foreign debt position) the only way to obtain dollars is to reduce imports and increase exports," the newspaper states. The publication LA ACTUALIDAD said the new Peruvian prime minister had expressed his wish to immediately devaluate the Peruvian currency.

Economic sources reported that a government sector fears that a devaluation may unleash inflation and the interest rates, while yet another government sector considers that it is necessary to establish a government exchange rate closer to the free market dollar exchange rate which is about 50 percent higher than the two official government exchange rates in force.

By mid-June the government virtually devalued the Peruvian currency by 9 percent by allowing exporters to receive a larger percentage of dollars when they exchange them on the official market. In addition, the government maintains a devaluation policy of 2.2 percent per month. This policy has devalued the Peruvian currency inti by 23 percent during the first 6 months of the present year, a time during which inflation reached 40 percent.

GARCIA ADDRESSES WORKERS, CALLS FOR UNITY

PY261349 Lima Panamericana Television Network in Spanish 0305 GMT 26 Jun 87

[From the '24 Hours' newscast]

[Text] President Alan Garcia this morning halted his meetings with the APRA political commission and together with top APRA leaders Armando Villanueva, (Ramiro Piole), and Luis Negreiros went to Vitarte [district in Lima], where he addressed a crowd on the occasion of the promulgation of a law creating the Museum and Cultural Center of the Workers [Museo y Casa Cultural de los Trabajadores].

The rally was held at the 26 de Mayo Square in Vitarte, where the old [name indistinct] textile factory, one of the strongholds in the struggle for the 8-hour work schedule, is located. The law, which was approved by Congress during its second regular session, aldo declares Vitarte an historic city for Peruvian workers.

Senator Armando Villanueva, who sponsored the law, emphasized the role played by the old APRA leaders headed by Victor Raul Haya de la Torre in those days of struggle to achieve justice for Peruvian workers. President Alan Garcia addressed the crowd:

[Begin Garcia recording] Fellow citizens, fellow party members, people of Vitarte: In politics and in history one must be able to clearly discern what is urgent and immediate from what is important and momentous.

Today, amid temporary pressing needs, we have come to this ceremony because it is important and momentous to acknowledge this city as the capital of labor, and because the use of this old factory as a museum of Peruvian workers is important for a government that has not gone astray under temporary circumstances, but has clear goals.

The essential goal for this government, which is nationalistic, democratic, and popular, is to unswervingly continue being the government of the workers, the government of the people, the government of the exploited, the government of the neglected, the government of the majority, the government of those who want to implement a true social revolution in the fatherland. [cheers, shouts] [Words indistinct] they cannot disrupt what is momentous, that is, revolution, equality and justice. This is why I have come to talk to you about the significance of this ceremony.

Labor is the only source of wealth for all revolutionaries. For all revolutionaries, the only source of wealth is the unrewarding labor of those who create products. For all revolutionaries, the only real source of wealth is the wealth accumulated by the people who make an effort in exchange for a salary.

Recalling that Haya de la Torre and Jose Carlos Mariategui worked along with the workers, I am now asking the Peruvian people to prevent division as a result of the difficult situations we are experiencing now or will experience in the future. We should prevent both anti-Aprism and anti-Communism from surfacing in the rank-and-file of our popular organizations, in our young mothers, in our food-program committees, and in our people, who are poor.

We, together, men and women, should endeavor to actually make thorough changes in this society. [cheers, shouts of Alan! Alan!] [end recording]

WAR MINISTER RULES OUT POSSIBILITY OF COUP

PY261428 Lima Canal 9 Television in Spanish 0310 GMT 26 Jun 87

[Text] War Minister General Jorge Flores Torres has said that the Armed Forces support the government and respect the Constitution, and that, consequently, there are no coup possibilities in our country.

[Begin recording] [Flores Torres] Unfortunately, the rest of the world is unaware of several characteristics of the situation in our country. In this particular case, the Armed Forces respect the Constitution. We are (?loyal) to the constitutional government and to the president, who is the Armed Forces' commander in chief.

As far as the Armed Forces are concerned, particularly in the case of the Army, I want to make it clear to the public that there is not even the most remote intention of staging a coup. On the contrary, we are always trying to strengthen democracy, because by doing so we believe we are not only abiding by the law but also building a better future for Peru, to be able to [words indistinct] democracy, to rapidly build that future...

[Unidentified reporter interrupts] Mr Minister, what is your opinion of the current political situation after the resignation of Prime Minister Luis Alva Castro?

[Flores Torres] Look, this situation is something new in a democratic country like Peru that has not yet gone through all the phases of the democratic game. However, it is normal in a democracy for a minister to resign and tell the president the reasons for his decision. It is also normal that if the prime minister resigns, all the other ministers should also resign to allow the president to designate the new ministers or confirm some of them. The (?decision is exclusively in the hands of the president). [end recording]

MISSING FAP PLANE FOUND IN JUNGLE; NO SURVIVORS

PY280128 Madrid EFE in Spanish 0039 GMT 28 Jun 87

[Text] Lima, 27 Jun (EFE) -- A Peruvian Air Force [FAP] helicopter this afternoon found the remains of the Antonov plane that disappeared 10 days ago in the Peruvian jungle. The plane was completely destroyed.

A patrol that reached the crash site did not find any survivors and the remains of the plane are spread over a radius of 100 meters, according to the local radio station Radioprogramas del Peru and the state television channel.

The plane was carrying 40 passengers and crew of 6. It was on a welfare mission to Tarapoto, located in the northern department of San Martin, and crashed when trying to land in that city. The helicopter that found the remains of the plane has reported that the plane crashed into an approximately 3,000 meter high mountain that is covered by dense jungle.

According to reports, the plane crashed between Santa Ines and Dos de Mayo. Rescue operations can only begin on 29 June because a place will have to be cleared in the jungle in order to allow the landing of helicopters that will bring in the rescue squads.

Enrieque Gonzalez, the FAO's commander, who is directing the rescue operation from Tarapoto, has stated that he will travel to the site with individuals who know the place in order to study where to make the clearing for the helicopters, and he added that the causes of the crash are still unknown.